

# APPENDIX "D"

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## **APPENDIX D-1**

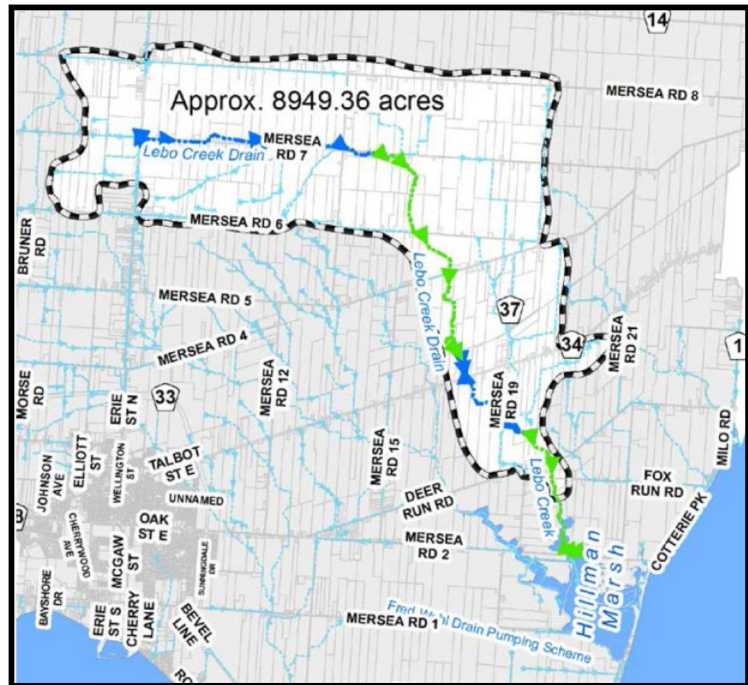
### Vacant Lands Appraisal

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**UPDATE APPRAISAL REPORT  
PARTIAL TAKINGS OF AGRICULTURAL LANDS**

**LOCATED**

**ADJACENT TO THE LEBO CREEK DRAIN  
OPEN CHANNEL (VACANT LAND),  
TOWN OF LEAMINGTON, ON**



**FOR**

**MUNICIPALITY OF LEAMINGTON  
C/O PERALTA ENGINEERING**

**BY**



**Fuerland**

REALTY LTD. BROKERAGE

2260 Foster Avenue, Windsor, Ontario N8W 5C9



# Fuerland

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Phone # (519) 966-0881 Fax# (519) 966-3209

December 19<sup>th</sup> 2022

## MUNICIPALITY OF LEAMINGTON

**Re: Lebo Creek Drain Watershed Rehabilitation Project**

c/o Peralta Engineering

Re: Appraisal of Market Values of Partial Land Takings of  
Agricultural Land Adjacent to the Lebo Creek Drain  
Located in the Town of Leamington, ON - Applicant: Town of Leamington  
Our File# FR22 – 9594upd - Your File # D15-029

As requested, we have completed an investigation and valuation analysis to estimate the current market value range of vacant agricultural properties located adjacent to the Lebo Creek Drain, Town of Leamington, Ontario as of December 19<sup>th</sup> 2022, the date of our review. The only intended use of this report is to assist the Town of Leamington in their negotiations with the current land owners for the acquisition of partial takings of the properties for the purposes of establishing the Lebo Creek drain as a Municipal Drain and relieving the system of flooding.

The properties involved are of various sizes, however they are primarily wetland areas to be acquire for the purposes of establishing 10 foot± buffer strips.

This appraisal report, containing 28 pages plus addenda, is valid only if it bears the original signature of the author(s) and all conclusions are subject to all Terms of Reference, Assumptions and Limiting Conditions contained herein.

**Current Market Value Range**  
**Partial Takings**

**\$10,500 to \$20,500 per acre**

Respectfully,  
FUERLAND REALTY LTD

  
Don Fuerth B.A., AACI, P. App

Respectfully,  
FUERLAND REALTY LTD.

  
Cara Pazur, B.A., AIC Candidate Member

**EXECUTIVE SUMMARY**

EFFECTIVE/REVIEW DATE:	December 19 <sup>th</sup> 2022
INTEREST VALUED	Fee Simple Estate
PURPOSE AND INTENDED USE:	The purpose of this appraisal is to provide an estimate the current market value range of vacant agricultural properties located adjacent to the Lebo Creek Drain, Town of Leamington as of December 19 <sup>th</sup> 2022, the date of our review. The only intended use of this report is to assist the Town of Leamington in their negotiations with the current land owners for the acquisition of partial takings of the properties for the purposes of establishing the Lebo Creek Drain as a Municipal Drain and relieving the system of flooding.
ADDRESS OF PROPERTY:	Agricultural Land Adjacent to the Lebo Creek Drain , Town of Leamington, ON
ROLL NUMBER:	N/A
PIN NUMBER	N/A
REGISTERED OWNER:	N/A
LEGAL DESCRIPTIONS:	N/A
TYPE OF PROPERTY:	Agricultural Property
IMPROVEMENTS - EXISTING:	None Considered
LAND AREA:	Various
ZONING:	Agricultural
HIGHEST AND BEST USE:	As Vacant: Agricultural site As Improved: N/A
MARKET CONDITIONS	Positive
MARKET EXPOSURE	± 6 to ± 9 Months
VALUE ESTIMATES:	<b>Direct Comparison Approach - \$10,500-\$20,500 per acre</b>
<b>FINAL ESTIMATE OF VALUE:</b>	<b>\$10,500 to \$20,500 per acre (Partial Takings)</b>

## AGRICULTURAL OVERVIEW

### Essex County is a Rich Agricultural Neighbourhood

#### National Trends

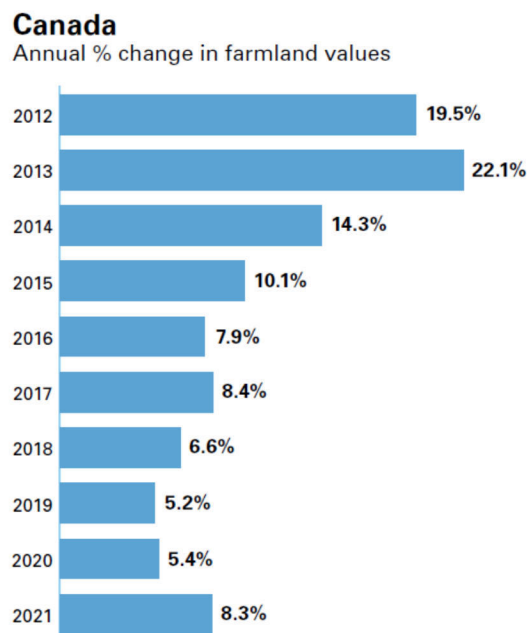
Despite all the economic upheaval, supply-chain problems, extreme weather conditions, the real estate market – and particularly the agriculture land market – is doing well. Sustained demand, historically low interest rates, favourable commodity prices and tight supply of farmland available for sale have all been key factors that resulted in a national average farmland increase of 8.3% in 2021, compared to 5.4% in 2020, and similar moderate increases for the previous five years.

The highest provincial increases in 2021 were observed in Ontario, with an average increase of 22.2%, and British Columbia, with an average increase of 18.1%. Two of the Atlantic provinces follow with increases of 15.2% in Prince Edward Island and 12.3% in Nova Scotia.

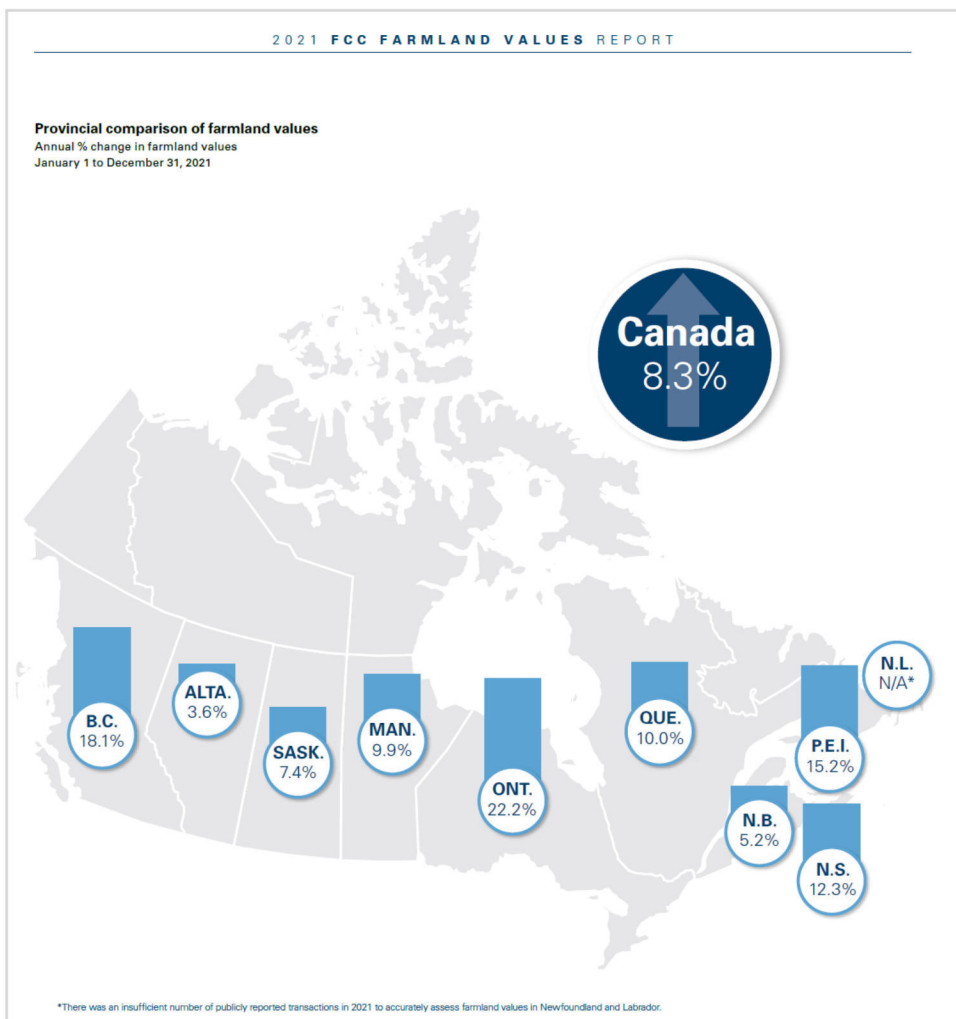
Quebec and Manitoba saw average increases of 10% and 9.9%, respectively, with growth in each region of those provinces being widely dispersed. Saskatchewan followed with an average increase of 7.4%. New Brunswick and Alberta brought up the rear with 5.2% and 3.6% increases respectively.

For the sixth consecutive year, there was an insufficient number of publicly reported sales in Newfoundland and Labrador to fully assess farmland values. That was also the case in Yukon, Northwest Territories and Nunavut.

Drought played an important role in reducing yields in certain areas of the country in 2021. Irrigated lands were less impacted by dry weather conditions. Last year was the first time we published rates for irrigated land in regions of British Columbia, Alberta and Manitoba. This year, we added rates for regions in Saskatchewan, where more and more transactions involve irrigated land.



% Change in farmland values		
Provinces	2021	2020
B.C.	18.1%	8.0%
Alta.	3.6%	6.0%
Sask.	7.4%	5.4%
Man.	9.9%	3.6%
Ont.	22.2%	4.7%
Que.	10.0%	7.3%
N.B.	5.2%	1.3%
N.S.	12.3%	1.6%
P.E.I.	15.2%	2.3%
N.L.	N/A*	N/A*
Canada	8.3%	5.4%



2021 FCC FARMLAND VALUES REPORT

**Ontario**

Average prices for farmland in Ontario increased by 22.2% in 2021, the highest average increase reported among the provinces.

Most regions recorded similar increases as the provincial average except for Eastern and Northern regions, where increases were more modest. This overall increase follows a 4.7% increase in 2020 and a 6.7% increase in 2019.

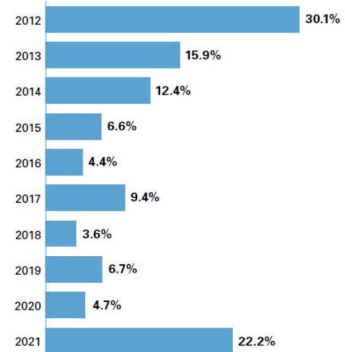
Stable to increasing demand and limited supply of available land were factors in many areas of the province. Many buyers are purchasing land in less expensive areas, which is driving up prices. Low interest rates and high commodity prices appear to be the main contributing factors in land buying decisions. There was a limited supply of land for sale in certain areas with numerous interested buyers, which drove up values.

Demand is coming from large intensive, supply-managed farm operations, cash crop producers and part-time farmers. Farmland on the outskirts of urban areas, or within close commuting distance to larger urban areas, have additional competition from various buyer types, such as hobby farmers and rural residential developers.

The Mid Western, South East and Central East regions reported the top three highest average increases in the province at 28.4%, 27.8% and 26.8% respectively, followed by Southern and South West regions with average increases of 25.2% and 22.8% respectively. The highest increases in these areas were in the lower per acre price areas, which were catching up to surrounding higher-priced areas.

**Ontario**

Annual % change in farmland values

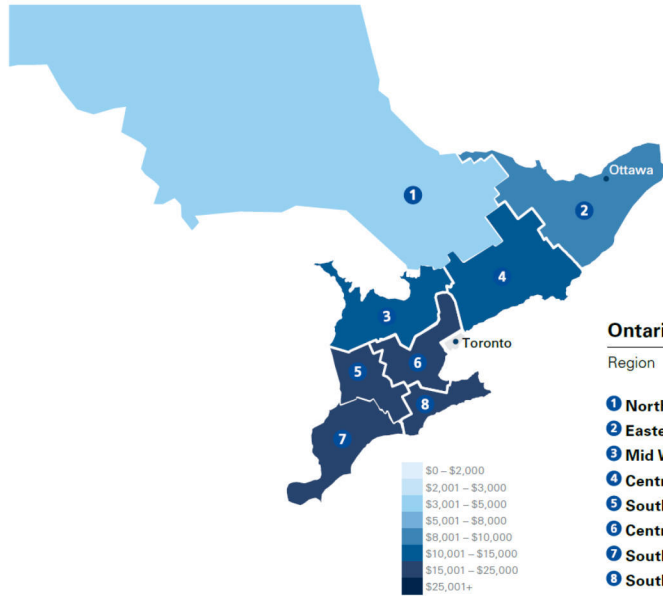


2021 FCC FARMLAND VALUES REPORT

Farmland values increased at a slower pace in the Central West area with an 18.3% increase in 2021, which was a bit less than in the surrounding areas but still considerable. This region had some of the highest per acre prices in the province.

The increase in value in the Eastern region was 12% in 2021. Demand remained strong, but prices per acre were still lower than in other areas of the province.

Finally, the lowest average farmland value increase was in the Northern region at 5.8%. Prices remained lower in this region, often selling at half the price of land in other parts of the province.



Ontario farmland regions

Region	% change	Value \$/acre*	Value range**
1 Northern	5.8%	\$3,900	\$1,200 – \$6,700
2 Eastern	12.0%	\$9,700	\$4,000 – \$17,100
3 Mid Western	28.4%	\$14,400	\$9,000 – \$22,700
4 Central East	26.8%	\$10,400	\$5,300 – \$19,400
5 South West	22.8%	\$23,500	\$15,500 – \$32,300
6 Central West	18.3%	\$23,200	\$14,600 – \$35,500
7 Southern	25.2%	\$17,000	\$9,600 – \$25,500
8 South East	27.8%	\$15,600	\$10,800 – \$26,700

\* FCC reference value \$/acre.

\*\*The value range represents 90% of the sales in each area and excludes the top and bottom 5%.



## Mid-year 2022 farmland values puts focus on income, interest rates and supply



The main drivers of farmland values remained strong in the first half of 2022. We report an average increase of 8.1% nationwide in farmland values over the period (Table 1). Commodity prices were robust, strengthening farm cash receipts. Higher interest rates and elevated farm input prices seemed to have had minimal influence on the demand for farmland.

Our analysis covers the period of January 1 to June 30, 2022. The highest increases were observed in Ontario, Prince Edward Island and Quebec, with 15.6%, 14.8% and 10.3% increases, respectively. Saskatchewan follows with an 8.4% average increase. British Columbia, Alberta, Manitoba, and Nova Scotia recorded below-average increases, varying from 5.9% to 6.5%. New Brunswick has the smallest increase, with a reported 3.4%.

*Table 1. Average farmland values changes in the first half of 2022 by province vs. supply of arable land*

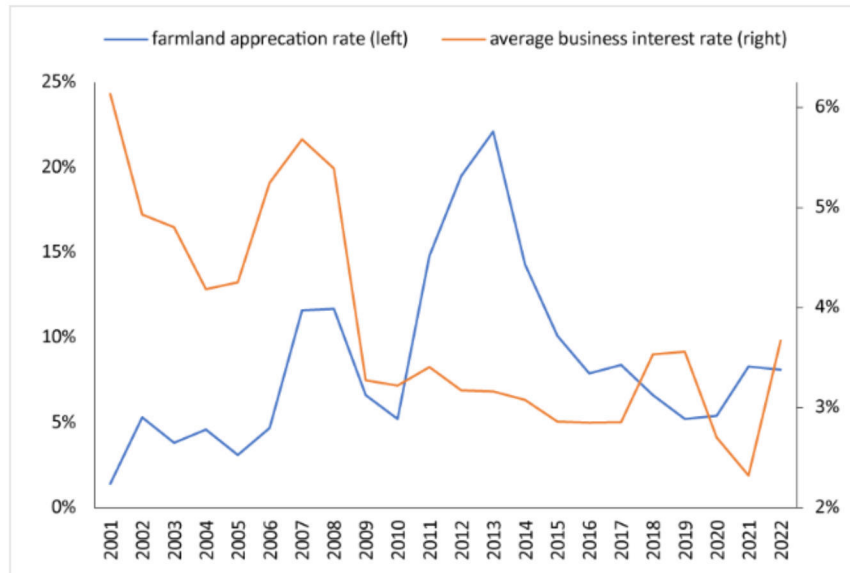
PROVINCES	AVERAGE % CHANGE JAN 2022 - JUNE 2022 (6 MONTHS)	AVERAGE % CHANGE JULY 2021 - JUNE 2022 (12 MONTHS)	SHARE OF ARABLE LAND IN CANADA (%)	SHARE OF ARABLE LAND IN A PROVINCE RELATIVE TO TOTAL LAND AREA (%)
B.C.	6.5	15.0	1.7	0.8
Alta.	5.9	5.8	29.6	19.9
Sask.	8.4	14.9	42.8	31.7
Man.	6.0	13.6	11.7	9.2
Ont.	15.6	27.7	8.8	4.2
Que.	10.3	13.5	4.5	1.5
N.B.	3.4	8.1	0.3	1.9
N.S.	6.0	14.0	0.2	1.8
P.E.I.	14.8	26.4	0.4	27.4
N.L.	N/A	N/A	N/A	N/A
Canada	8.1	13.1		4.9

### Timing of sales, tight supply and farm income all matter in the context of higher borrowing costs

The Bank of Canada started lifting its policy interest rate in early March. But this was a muted response to emerging inflationary pressures. It wasn't until July that the Bank of Canada frontloaded the required hikes in the overnight rate to bring down inflation. It's important to note that many sales were negotiated or closed before the significant borrowing costs increases. It's not rare for transactions to close multiple months after being negotiated.

FCC has been reporting on farmland values since 1985. Historically, we’ve seen other periods of rising interest rates – the previous significant increase occurred in 2006-07 (Figure 1). Yet, this period coincided with increases in the appreciation rate of farmland values, highlighting the importance of considering factors beyond borrowing costs.

*Figure 1. Average farmland values appreciation rate with average business interest rates*



The acreage available for farmland that can be cultivated and productive is limited and does not increase as opposed to real estate markets. This puts upward pressure on prices, given a stable and robust demand. The percentage of land used as arable land is limited in most provinces (Table 1). Recently, provinces with more arable land seemed to experience a slower pace of increase in land values.

Farm cash receipts have climbed 14.6% year-over-year for the first half of 2022. Grain, oilseed, and pulse receipts were slightly lower in the first six months, but this was expected given the poor 2021 crop in the Prairies. The outlook remains positive. Despite inflationary pressures and geopolitical tensions, new crop prices continue to exceed early expectations, and margins should be profitable, given encouraging 2022 production estimates.

**Provincial trends**

In British Columbia, land values increased by an average of 6.5% for the first half of 2022. Increases varied a lot across the province, with the highest changes mostly located in areas with easy access and close to urban centers. We observed strong competition between farm operations and non-traditional buyers.

Alberta farmland increased at a more moderate pace of 5.9% for the first six months of 2022. It’s important to note that this increase applies to dryland only, and irrigated land values are only provided in the annual report. Farmland availability remains low in this province.

For Saskatchewan, favourable land market conditions observed in 2021 seem to have carried over into the first half of 2022. We are reporting an average increase of 8.4% for the latter period. Demand remains strong in most areas. We observed in some regions (North West, North East) no or little change in values as opposed to other regions with important increases.

In Manitoba, farmland values increased by 6.0% in the first half of 2022. Spring weather conditions were difficult in certain areas; for example, flooding delayed seeding. Increases in areas that coped best with moisture were higher than those affected by excess moisture.

Ontario has the most significant increase in value with 15.6% for the first six months of 2022, a 12-month pace of 27.7%. Land purchases that drive larger percentage increases in values are generally in less expensive areas of the province. There's lots of variability across regions. The most important increases are observed in the South East and Central East regions, with average 6-month changes ranging from 20.0% to 24.0%. Conversely, average increases in the Western part of the province range from 10.0% to 17.0%.

In Quebec, the average increase in farmland value for the first half of 2022 was 10.3%. Supply is very limited in some regions, driving prices higher. Variability is also a characteristic of the market, and the most predominant increases were observed in the lower dollar-per-acre areas of the province.

Atlantic provinces recorded average increases of 3.4%, 6.0% and 14.8% for New Brunswick, Nova Scotia, and Prince Edward Island, respectively. A strong demand for forage and cultivated land from out-of-province buyers contributed to the overall increase. A limited number of sales in Newfoundland and Labrador prevented us from reporting an estimate.

### **Both demand and supply factors drive farmland values**

The Bank of Canada has lifted its overnight rate by 3% since early March, and another hike of at least 50-basis points is anticipated at the end of October. In some cases, farm operations have seen their interest expenses more than double. In other instances, prudent financial risk management mitigated the negative influence of higher rates on profit margins.

There's little doubt that higher borrowing costs will moderate the demand for farmland. However, farmland supply is limited, which combined with farm income trending in the right direction, could offset the impact of interest rate increases. We can't wait to revisit these factors in early 2023.

*Article by: Lyne Michaud, É.A., Senior Analyst, Valuations and Leigh Anderson, Senior Economist*

**NEIGHBOURHOOD**

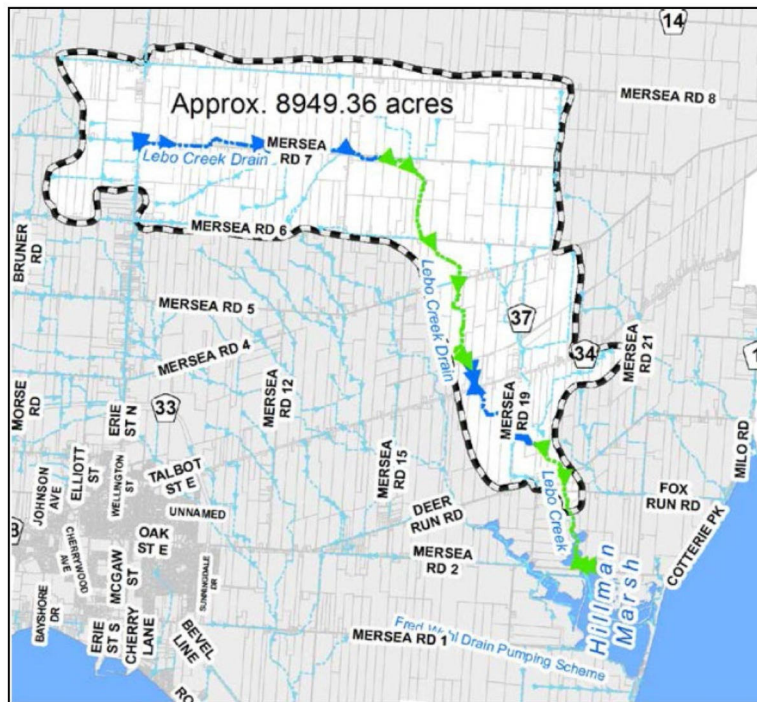
The subject properties are located east of the Town of Leamington between Deer Run Road and Mersea Road 7 and County Road 37 and Mersea Road 7.

In the immediate neighbourhood of the subject properties are cash crop farms, greenhouse properties and single-family residential dwellings.

No adverse influences have been noted in the area and zoning bylaws are in effect and enforced.

In summary the subject properties are located in rural neighbourhoods close to the centre of an active and growing agricultural industry with ready access to all major arteries.

*Location Map*



**Site Descriptions**

- i) Location: Rural – Agricultural Greenhouse operations, cash crop farm and residential dwellings dominate the surrounding area.
- ii) Dimensions: Irregular
- iii) Area: Various - Total Property source: [MCAP & Geowarehouse Applicant]
- iv) Topography: Basically level.
- v) Services: Typical municipal utilities and services are available.

## LAND USE CONTROLS

Land use in the Province of Ontario is regulated by the Planning Act, 1990, Statutes of Ontario, 1990, Chapter 1, as amended, and is administered by the Minister of Municipal Affairs. The Planning Act addressed implementation of the Official plan and the Zoning By-Law.

## OFFICIAL PLAN

The Planning Act, 1990, as amended, Chapter 1 (h) defines Official Plan: “official plan” means a document approved by the Minister, containing objectives and policies established primarily to provide guidance for the physical development of a municipality or a part thereof an area that is without municipal organization, while having regard to relevant social, economic and environment matters;

The Official Plan for the Municipality of Leamington applies to all lands within the corporate limits. The restructured Municipality was incorporated on January 1<sup>st</sup>, 1999 joining the former Town of Leamington and Township of Mersea into the Municipality of Leamington. The Municipality of Leamington has a land area of 26,440 hectares and an estimated 2000 population of 27,000. Geographically, Leamington is located in the south east corner of Essex County bordered by the Town of Kingsville to the west, the Town of Lakeshore to the North, the Municipality of Chatham-Kent to the east and Lake Erie to the south.

In accordance with Section 17 of the Planning Act, R.S.O. 1990 the Council of a municipality may provide for the preparation of a plan suitable for adoption as the Official Plan of the municipality. An official plan is defined in the Planning Act as a document, approved by the Minister, containing objectives and policies established primarily to provide guidance for the physical development of a municipality while having regard to relevant social, economic and environmental matters. Section 24 of the Act further provides that where an Official Plan is in effect no public work shall be undertaken and no by-law passed for any purpose unless it is in conformity with the Official Plan.

The Official Plan for the former Town of Leamington designates the subject properties as **Agricultural**. Areas designated Agricultural represent the majority of the land area in the Municipality of Leamington. Agriculture, including an extensive vegetable and flower greenhouse farming area, is an extremely important component of Leamington’s land use. The purpose of the goals and policies of the Official Plan are to protect prime agricultural lands for agricultural purposes while acknowledging that the community will continue to grow and prosper in an orderly and responsible manner. It is acknowledged that all of the land in the Municipality of Leamington is prime agricultural land in accordance with Provincial Policy and accordingly, development in this area is strictly controlled and monitored.

The subject sites current usages are agricultural operations and single family residential in conformity with the Town of Leamington Official Plan

## ZONING

While Official Plans set out the general long-range policy framework for future land use, Zoning By-Laws take precedence and put those objectives of the Official Plan into effect and provide for their day-to-day administration.

Unlike the Official Plan, the Zoning By-Law contains very specific and legally enforceable regulations. Any new development or construction that fails to comply with a municipality's Zoning By-Law is not permitted and will be denied a building permit.

Zoning By-Laws define zones for various types of uses and establish the specific type of land use in each zone (i.e. residential, commercial, agricultural, institutional, industrial etc.). The by-laws will also set standard for erecting buildings (i.e. minimum lot size, frontage, set-backs from streets, side yard clearances, building heights, parking requirements, etc.)

According to the Town of Leamington the subject properties are primarily zoned as Agricultural.

The General Agricultural designation permits:

- a) Agricultural uses including livestock intensive agricultural uses in accordance with subsection 6.2.5 of this by-law but excluding mushroom farms;
- b) A farm occupation in accordance with subsection 6.2.3. of this by-law;
- c) Establishments for the storage of agricultural equipment and machinery;
- d) A dog kennel in accordance with subsection 6.2.2. of this bylaw but not a boarding kennel;
- e) Forestry uses excluding any establishments that either process forestry products or sell processed forestry products such as lumber yards;
- f) Greenhouses in accordance with subsection 6.2.6 of this by-law;
- g) Hunting, game and wildlife preserves;
- h) Landing strips in accordance with subsection 6.2.7. of this by-law;
- i) Nurseries, wholesale and retail floral shops or tree farms;
- j) A horse training track in accordance with subsection 6.2.5 of this by-law
- k) The exploration and extraction of petroleum, natural gas and similar materials;
- l) One single family detached dwelling in accordance with subsection 6.2.1 of this by-law;
- m) A home occupation in accordance with subsection 6.2.4 of this by-law
- n) Seasonal farm dwellings;
- o) works of a conversation authority
- p) the storage of automobiles, boats and other recreational vehicles in existing buildings;
- q) uses accessory to the foregoing uses in accordance with subsection 5.20 of this by-law.

This zoning permits agricultural uses and accessory uses. The subjects. current usage as cash crop operations, single family residences and improved agricultural operations are in compliance with this bylaw. It is not within the scope of this report to determine if all regulations have been met.

## **SECTION 22 –AGRICULTURAL GENERAL ZONE (A1) REGULATIONS**

### **22.1 General Use Regulations**

No person shall within the A1 Zone use any lot or erect, alter or use any building or structure except in accordance with the following regulations:

#### **22.1.1 Permitted Uses**

- a) Agricultural uses including livestock intensive agricultural uses that comply with the Minimum Distance Separation Formula (MDS) I and II, but excluding mushroom farms;
- b) one farm occupation in accordance with subsection 4.15 of this By-law;
- c) one bed and breakfast establishment in accordance with the provisions of subsection 4.4 of this By-law;
- d) establishments for the storage of agricultural equipment and machinery;
- e) dog kennels in accordance with subsection 4.26 of this By-law but not a boarding kennel;
- f) forestry uses including a processing and sale of firewood but excluding any establishments that either process forestry products or sell processed forestry products such as lumber yards;
- g) greenhouses in accordance with subsection 22.1.4 of this By-law;
- h) hunting, game and wildlife preserves;
- i) landing strips;
- j) nurseries, wholesale and retail floral shops or tree farms;
- k) horse training tracks;
- l) the exploration and extraction of petroleum, natural gas and similar materials;
- m) one single unit detached dwelling;
- n) one home occupation in accordance with subsection 4.23 of this By-law;
- o) the storage of automobiles, boats and other recreational vehicles within existing buildings;
- p) works of a conservation authority;

- q) farm help dwellings;
- r) accessory uses.

**22.1.2 Permitted Buildings and Other Structures**

- a) Buildings and structures for the permitted uses;
- b) accessory buildings and structures for the permitted uses, in accordance with subsection 4.1 of this By-law.

**22.1.3 Zone Provisions for Farm Lots in the A1 Zone**

Zone Provision	Main Building
Minimum Lot Area	10 ha (24.7 ac)
Minimum Lot Frontage	60 metres (196.8 feet)
Maximum Lot Coverage	25 % (includes accessory buildings and structures)
Maximum Building Height	10 metres (32.81 feet)
Minimum Front Yard	15 m (49.21 ft)
Minimum Interior Side Yard	1.5 m (4.92 ft)
Minimum Exterior Side Yard	15 m (49.21 ft)
Minimum Rear Yard	6 m (19.68 ft)

## HIGHEST AND BEST USE

The term “Highest and Best Use” is generally considered in appraisal terminology as the most profitable likely use to which a property can be put which will result in the greatest net return over a given period of time. For an asset to have value, it must be capable of providing some form of beneficial utility or enjoyment to the owner or user. An examination of the highest and best use or most probable use is, therefore, critical to the appraisal process.

The Highest and Best Use analysis provides a focus for the choice of an appropriate valuation methodology. If a property’s current use is its highest and best use, its most probable selling price will ordinarily be a function of the existing use. Should the use of either the land as if vacant, or an alternative use of the land and structures as developed be found to represent the most beneficial use, the market value of the asset will likely be governed by this alternative.

The estimation and analysis of this optimum and probable use to which the property may be put normally encompasses consideration of the compatibility of the existing use and any suggested alternative use for which a property may be utilized in conjunction with:

- (a) the Zoning, Official Planning and other legal and political restraints on the use of the property;
- (b) the economic and market trends, supply and demand situation for the suggested use;
- (c) the expectations of the surrounding community;
- (d) the financial feasibility of the contemplated use; and,
- (e) the physical attributes and limitations of the site and its location, including the availability of services necessary to support alternative uses.

The highest and best use of the site as if vacant, considering the location, alternate potential feasible and legal uses as well as current zoning and land uses in the neighbourhood would be for agricultural purposes.

## **APPROACHES TO VALUE**

There are three traditional approaches to value typically utilized in the valuation of real property. Within each approach are numerous methods. The type of property and the interest being valued determines what approaches and methods are applicable.

### **COST APPROACH**

This method is based on the cost of a property's improvements, less all sources of depreciation. The resulting figure is added to the estimated land value, utilizing the Direct Comparison Approach.

### **DIRECT COMPARISON APPROACH**

The Direct Comparison Approach considers that a property's value is directly related to prices paid for other competitive and like properties. This approach to value directly compares sale prices per physical units of measure (i.e. suites, rooms, square feet, front foot, acres, etc.).

### **INCOME APPROACH**

The Income Approach considers a property's ability to provide an income stream over its economic life as a reflection of its present value.

### **APPLICABLE APPROACHES**

Each of the above approaches can be applied to some extent in the valuation of vacant lands. The Direct Comparison Approach is often the most effective. The Income Approach and the Cost Approach were not considered applicable to this type of property.

## **DIRECT COMPARISON APPROACH**

The principle of substitution proposes that a prudent buyer will not pay more for a property than it would cost to buy an equally desirable substitute property, provided that there is not undue delay in making the acquisition. The Direct Comparison Approach is based upon this principle. Seldom is there any commodity that is bought or sold that does not undergo a comparative analysis. One of the basic principles in the marketplace is to decide by direct comparison whether the price of a commodity is fair.

There are five basic steps in the Direct Comparison Approach:

1. Assemble current sales of properties that are as closely comparable to the subject as possible. In addition to sales data, consideration should be given to current listings.
2. All pertinent data such as sale price, date, legal description, etc., should be validated.
3. The data derived from each sale should be analyzed with regards to date of sale (time), terms, location, motivation, marketing time, physical condition, etc.
4. Each sale is then compared to the subject property with adjustments made to the comparable sale to compensate for inferior or superior qualities.
5. The data is weighed and correlated to arrive at an indicated value for the subject property.

The method is relatively simple in its approach since it considers the same criteria utilized by a prospective purchaser. Its reliability depends on the similarity between the comparable and the subject property plus the skill and care exercised in making adjustments for various differences that exist.

### **Preamble**

In an ideal market situation for applying the Comparison Approach to value, the following conditions would prevail:

- A large number of sales have occurred between buyers and sellers who are knowledgeable of the local market.
- The sales are closely comparable to the subject property.
- The terms of the sale are identical.
- The sales are all very recent.
- The sales are “normally distributed” in a statistical sense.

Unfortunately, even in the best of conditions, there are usually insufficient sales that are reasonably comparable. The question must be asked “What is a good comparable?” The limits on comparability depend on the type of property involved. A good comparable is one that would be a reasonable alternative for most prospective buyers who would be interested in the subject property.

Although none of the following properties are exactly identical to the subject property, they lend insight into how the market would react to the subject property.

## **SITE VALUE**

There are several methods for developing a value for the underlying site. The site value is required for the Cost Approach calculations but can also be used for the development of ratios in the Income Approach.

1. Comparative Sales Method – sales and other data for similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the land being appraised. In the comparison process, the similarity or dissimilarity of the parcels is considered. This is the most common technique for valuing land and it is the preferred method of land valuation, provided there are sufficient comparable land sales available for analysis.
2. The Abstraction Method – is used where few sales are found. It involves allocation of the appraised total value of the property between land and buildings. Reliance is placed on typical ratios of land to improvement in the particular category under consideration.
3. Extraction – is a technique whereby the depreciated value of the building is extracted from the total sale price of an improved property to indicate the value of the land.
4. Subdivision Development – can be used where a project is proposed for a site by estimating the probable selling price of the units and extracting all expenses including builder's profit.
5. Land Residual Technique – capitalizes into value the residual income imputable to the land as obtained with a new building improvement which is the highest and best use of the land.

In most instances, the Comparative Sales Method is the most reliable technique, particularly when there are sufficient comparable sites for comparison.

## **COMPARATIVE SALES METHOD**

The comparative Sales Method is identical to the Direct Comparison Approach and remains the best method for this type of property provided comparable sales can be found. In this case a number of comparable sales were found in the vicinity of the Property.

Adjustments for items below were considered but not necessarily applied:

- Rights Conveyed
- Financing Adjustments
- Conditions of Sale
- Date of Sale
- Location
- Site Size
- Other Adjustments

## RECENT RELATED LAND SALES OF AGRICULTURAL PROPERTIES TOWN OF LEAMINGTON

NO	REFERENCE	ADDRESS	DATE	SALE PRICE	ACREAGE	PRICE/ACRE
2	PIN# 750840116	PT LT7, Con 10 Mersea Leamington	06/28/21	\$2,462,500	49.59	\$40,657
3	PIN# 750930370	430 Mersea Road 7 Leamington	07/02/21	\$1,900,000	128.73	\$14,759
4	PIN# 750890136	1-969 Kent Road 1 Mersea	08/09/21	\$745,000	57.78	\$12,893
5	PIN# 750980161	Pt Lt 234 Con STR Mersea	09/10/21	\$700,000	25.30	\$27,667
6	PIN# 750920498	918 Mersea Road 7 Mersea	09/15/21	\$411,500	24.93	\$16,506
7	PIN # 75151034	PT LTS 22, 23 Con 6, Kingsville	10/05/21	\$790,000	52.74	\$14,979
8	PIN# 751010151	467 County Road 1 Mersea	10/29/21	\$1,400,000	99.79	\$14,029
9	PIN# 750870144	PT LT 9 Concession 9, Mersea, Leamington	11/01/21	\$1,550,000	49.50	\$31,313
10	PIN# 750990165	PT LT 229 Con STR Mersea	11/05/21	\$1,000,000	31.11	\$32,144
11	PIN# 750910091	Pt Lt 16 Con 7 Mersea	12/17/21	\$535,000	26.85	\$19,925
12	PIN# 750850188	PT Lt 3 Con 11 Mersea Leamington	12/23/21	\$5,165,408	173.16	\$29,830
13	PIN# 750850190	Lots 70-83. 89-102 PL 375 Mersea Leamington	12/23/21	\$933,958	43.85	\$21,298
14	PIN# 750850194	PT LT 4, Concession 11-Mersea Leamington	12/23/21	\$1,058,597	35.65	\$29,694
15	PIN# 751040584	Lt 17 Con C Mersea	01/26/22	\$890,000	49.21	\$20,741
16	PIN# 751020461	Pt Lt 21 Con 2 Mersea	03/29/22	\$550,000	25.22	\$21,808
17	PIN# 751020469	PT LT 19-20 Con 2 Mersea Mersea (Resale)	03/30/22	\$700,000	23.52	\$29,761
18	PIN# 750910227	PT LT Con 7 Mersea Leamington	04/29/22	\$1,408,280	74.75	\$18,839
19	PIN# 751130381	Pt Lt Triangle F Con B Mersea	05/05/22	\$1,300,000	28.90	\$44,982
20	PIN# 750820067	PT S½LT21 Con 10 Mersea Leamington	05/10/22	\$515,000	27.18	\$18,947
21	PIN# 750820054	PTS½LT19 Con 10 Mersea Leamington	08/15/22	\$473,878	25.31	\$18,722
	<b>Average</b>			<b>\$1,201,624.81</b>	<b>52.9</b>	<b>\$23,447.00</b>

### Chart #1 Observations

	Low +/-	High +/-	Average +/-
<b>Sale Date</b>	June 2021	August 2022	
<b>Sale Price</b>	\$411,500	\$5,165,408	\$1,201,625
<b>Number of Acres</b>	23.31	173.16	52.9
<b>Sale Price Range</b>	\$12,893	\$44,982	\$23,447

The previous two charts in this section provide summaries of pertinent information with respect to each transaction. All of the reference properties have a primary zoning designation of “A” agricultural and all are considered to be arms-length transactions.

Chart # 1 was a summary of properties purchased in the Town of Leamington in the past 16 months.

- The average sale price per acre of these transactions was \$23,447 per acre.
- The range was from \$12,893 per acre to \$44,982 per acre

These sales represent sales of properties purchased specifically for cash crop farms or for Greenhouse construction.

Seven sales from this list found within the Lebo drain system or very near to the drain system and considered more similar to the subject property were selected for comparison to the subject property.

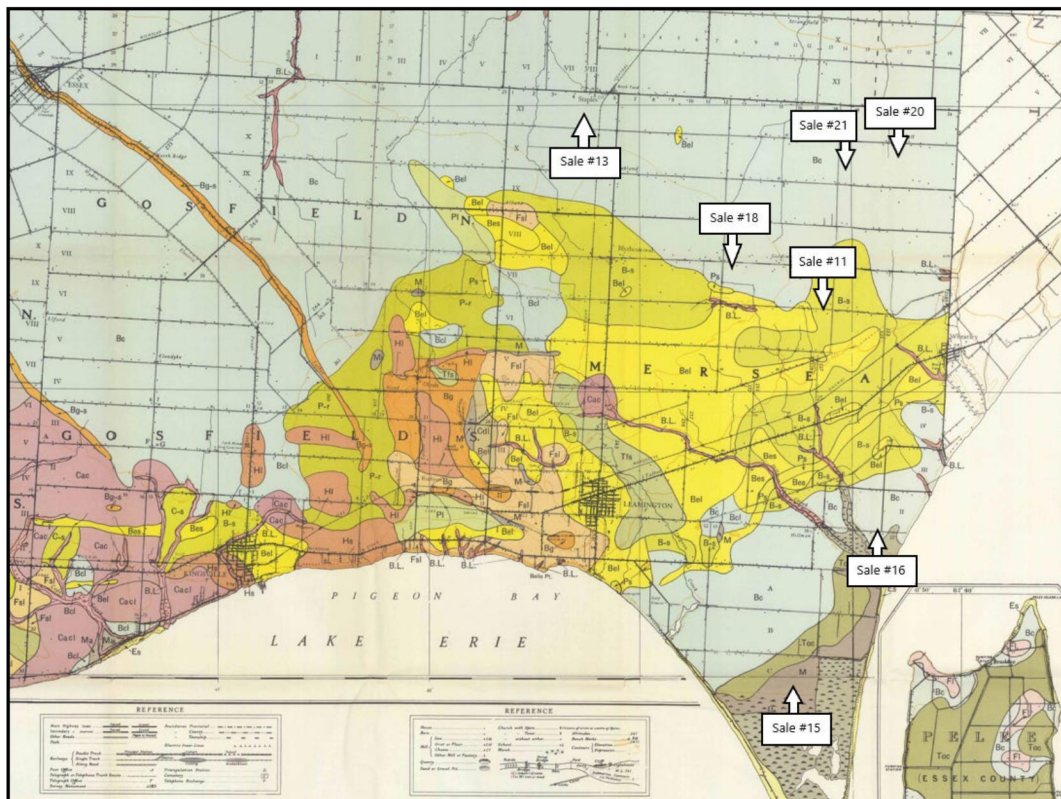
**Chart # 2**

NO	REFERENCE	ADDRESS	DATE	SALE PRICE	ACREAGE	PRICE/ACRE
11	PIN# 750910091	Pt Lt 16 Con 7 Mersea	12/17/21	\$535,000	26.85	\$19,925
13	PIN# 750850190	Lots 70-83. 89-102 PL 375 Mersea Leamington	12/23/21	\$933,958	43.85	\$21,298
15	PIN# 751040584	Lt 17 Con C Mersea	01/26/22	\$890,000	49.21	\$20,741
16	PIN# 751020461	Pt Lt 21 Con 2 Mersea	03/29/22	\$550,000	25.22	\$21,808
18	PIN# 750910227	PT LT Con 7 Mersea Leamington	04/29/22	\$1,408,280	74.75	\$18,839
20	PIN# 750820067	PT S½LT21 Con 10 Mersea Leamington	05/10/22	\$515,000	27.18	\$18,947
21	PIN# 750820054	PTS½LT19 Con 10 Mersea Leamington	08/15/22	\$473,878	25.31	\$18,722
				\$758,016.57	38.91	\$20,040.00

**Chart #2 Observations**

	December 2021	High +/- August 2022	Average +/-
<b>Sale Date</b>	December 2021	August 2022	
<b>Sale Price</b>	\$473,878	\$1,408,280	\$758,017
<b>Number of Acres</b>	25.22	74.75	38.91
<b>Sale Price Range</b>	\$18,722	\$21,808	\$20,040

## Comparable Sales Soil Map



The most appropriate adjustment method in this case is the “Property to Property Comparison”, whereby we attempt to bracket the subject property between comparable sales both superior (more valuable) and inferior (less valuable). If a significant item or component of the comparable property is superior to or more favourable than the subject, a minus (-) adjustment is considered, thus reducing the indicated value of the subject. If a significant item in the comparable property is inferior to, or less favourable than, the subject Property, a plus (+) adjustment is considered, thus increasing the indicated value of the subject. This approach emphasizes individual comparable sales as a whole and undivided entity, which is exactly what a buyer does.

Adjustments are based on both quantitative market data and qualitative considerations. An adjusted rate paid per acre was then estimated and applied to the Property’s gross acreage in order to estimate its Market Value.

## Rights Conveyed

In analyzing the sales used it was determined that in all cases the rights conveyed were Fee Simple and no adjustment was required.

**Financing**

There was no information available to suggest that there were any special financing arrangements involved in the comparable sales and it was assumed in all cases that typical types of financing arrangements were involved in the sales.

**Conditions of Sale Adjustment**

Each of the transactions was reported to have involved cash to the vendor with no unusual conditions or restrictions.

**Time**

The most recent report published by FCC for spring 2022 indicates that farm land values in Ontario increased 22.2% in 2021, 4.7% in 2020, 8.7% in 2018 and 8.4% in 2017, following gains of 7.9% in 2016 and 10.1% in 2015.

The sales chosen for consideration represent sales over the past 11 months. It would appear from the above statistics that an upward adjustment would need to be applied to all of these sales for time.

**Location**

An adjustment was made to the indicated values for significant variations in location. The subject partial takings were considered to be in average locations with upward adjustment considered appropriate for some of the local sales selected.

**Lot Size**

Lot sizes were considered a contributing factor in prices paid and adjustments were made based on significant variations in site sizes.

**Zoning**

All comparable sales had similar zoning to the subject site with no adjustment considered appropriate.

**Services**

The sites are landlocked and access/services would need to be brought to the site by means of easements, which are not always available.

Generally speaking the primary factor influencing value is location and the closer a property is to a larger centre the greater its value. Other factors that contribute significantly to a property's value are tiling, configuration, soil type, municipal amenities available and most importantly size.

Even properties which are side by side must be considered on an individual basis and under no circumstances can they be considered identical enough to apply the same unit value (per acre) to arrive at a market value for the property.

Each property is unique and the presence or lack of improvements, municipal services, variation in configurations, tiling etc. can significantly impact on the per acre value.

They are in the center of an agricultural area, on a paved road within driving distance of all usual amenities.

In reviewing the sales most emphasis was placed on the highlighted sales in the previous chart which indicated an average sale price per acre of \$20,059, a median sale price of \$19,925 per acre and a range of sale prices from \$18,722 per acre to \$21,808 per acre.

The partial takings will have a less than desirable configuration and a poorer soil type, being primarily wetlands in close proximity to the Lebo Creek Channel.

Typically wet lands when purchased along with arable land contribute 30% to 50% per acre less to overall purchase price.

In consideration of the above and after reviewing those sales considered most suitable for comparison with the subject property in terms of location, size, soil type municipal services, the appraiser is of the opinion that a value of 20,500 per acre is indicative of the per acre value of any arable portion of the partial takings and \$10,500 per acre for the wetland portion.

**The estimated land value range from the Comparison Approach to Value is:**

**Current Market Value Range**

**Partial Takings**

**\$10,500 to \$20,500 per acre**

**ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS:**

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term “inspection” refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.

15. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
16. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
17. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct such loan underwriting and due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Underwriting Practices and Procedures B-22, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.
18. Where the intended use of this report is for mortgage insurance, it is a condition of reliance on this report that the authorized user will conduct loan insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent mortgage insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, to conduct such loan insurance underwriting and/ due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Insurance Underwriting Practices and Procedures B-22, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

**CERTIFICATION**

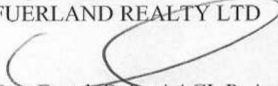
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in the accompanying report are to the best of our knowledge true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal and/or professional interest or bias with respect to the parties involved with this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in and compensation is not contingent upon or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
- We have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives.
- Don Fuerth, AACI, P.App. personally inspected the Subject Property on July 8<sup>th</sup> 2019. No one, other than those named in the certification pages herein, provided assistance to the undersigned with preparation of this report.
- As of the dated of this report, Don Fuerth, AACI, P.App. has completed the requirements of the continuing education program of the Appraisal Institute of Canada.

Based upon the data, analyses and conclusions contained herein, the market value range of the partial takings in the property located adjacent to Lebo Drain Chanel, Town of Leamington, Ontario; as at December 19<sup>th</sup> 2022 is at:

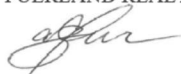
**Current Market Value Range**  
**Partial Takings**  
**\$10,500 to \$20,500 per acre**

**APPRAISER**

Respectfully,  
 FUERLAND REALTY LTD  
  
 Don Fuerth B.A., AACI, P. App

NAME: Don Fuerth  
 AIC DESIGNATION/STATUS: AACI, P.App  
 Membership #: 702855  
 DATE OF REPORT/DATE SIGNED: December 19<sup>th</sup> 2022  
 PERSONALLY INSPECTED THE SUBJECT PROPERTY: Yes  
 DATE OF Review December 19<sup>th</sup> 2022

**AIC CANDIDATE MEMBER**

Respectfully,  
 FUERLAND REALTY LTD.  
  
 Cara Pazur, B.A., AIC Candidate Member

NAME: Cara Pazur  
 AIC DESIGNATION/STATUS: AIC Candidate Member  
 Membership #: 918332  
 DATE OF REPORT/DATE SIGNED: December 19<sup>th</sup> 2022  
 PERSONALLY INSPECTED THE SUBJECT PROPERTY: No  
 DATE OF Review: December 19<sup>th</sup> 2022

## ADDENDA

**Curriculum Vitae and Clients Served – 2022**  
**Don Fuerth B.A., AACI, P.App.**  
Professional Appraiser, Real Estate Broker, Realtor®  
2260 Foster Avenue, Windsor, ON N8W 5C9  
Telephone: (519) 966-0881  
Email: [dfuerth@fuerlandrealty.com](mailto:dfuerth@fuerlandrealty.com)

**Summary**

Don Fuerth is an experienced professional Real Estate Broker and Appraiser who has Land Use and Land Development experience. He has completed a variety of appraisal and consulting assignments to assist in Mortgage Financing, Power of Sale, Deemed Dispositions, HST and Capital Gains Issues involving Canada Revenue Agency (CRA), Expropriation, Family Law, Assessment Appeals and Litigation support.

**Experience**

**Real Estate Appraiser**

Fuerland Realty Ltd., Don Fuerth Broker/Owner  
Appraiser of single and multi-family residential, agricultural, commercial, institutional and industrial properties since September 1995.

**Real Estate Broker**

Real Estate Brokerage - Fuerland Realty Ltd. We are an active brokerage providing assistance in purchases, sales, leasing and construction for all types of real estate. We maintain MLS® membership to obtain legal access to various real estate board open market systems.

**Real Estate Appraisal and Counseling** involves one or more of the following services:

- Real Estate Appraisal,
- Litigation support,
- Expropriation Appraisals including Injurious Affection Studies,
- Assessment Appeals,
- Property Tax Issues,
- Project feasibility study and analysis, and
- Property portfolio analysis and evaluation.

**Experience**

2001 – Present Chief Appraiser Fuerland Realty Ltd.  
1994 – 2000 Associate Appraiser E.S. Gorski & Associates

**Related Experience**

- Graduated from University of Windsor 1963
- Teacher's Certificate from University of Western Ontario -1965
- 1963 – 1980 Head of Modern Language Department and Guidance Counselor
- 1970 – 1988 Full time dairy and cash crop farmer
- 1988 – 1990 Full time construction and excavation contractor
- December 1990 successfully completed the "Salesperson Program" in real estate as presented by The Ontario Real Estate Association
- Licensed under the Ontario Real Estate and Business Brokers Act as a Broker, December 2<sup>nd</sup> 2002. Registration No. 3349461
- Director Windsor/Essex County Real Estate Board 1998 – 2002
- President Windsor/Essex County Real Estate Board 2002 – 2003
- Past President Windsor/Essex County Real Estate Board 2003 – 2004
- Chairman Building Committee Windsor/Essex County Real Estate Board 1998 – 2004
- Full member, National Commercial Council, Canadian Real Estate Association, 2001, also a Full Member, Commercial Council Windsor/Essex County Real Estate Board.

### **Appraisal Assignments have included:**

- Funeral Homes
- Institutional buildings
- Retirement Homes
- Special Use Properties
- Rooming Houses
- Office Towers
- Apartment buildings
- Real property housing a single dwelling
- Multi-family buildings
- Industrial properties
- Churches
- Retail commercial properties
- Hotels/Motels
- Mobile Home/Trailer Parks
- Marinas
- Golf Courses
- Farms and Farm Land
- Intensive Farms (e.g. Livestock, Greenhouse and Winery Operations)
- Agricultural support properties
- Market Rent Studies
- Land
  - Commercial/industrial/residential land awaiting development
  - Building lots – on water and not on water

### **Professional Education**

AACI Accredited Appraiser Canadian Institute Certificate # 702855  
The Appraisal Institute of Canada awarded use of this professional designation on October 28<sup>th</sup> 2003.

P.App Professional Appraiser  
Granted by the Appraisal Institute of Canada to all holders of the AACI designation.

CRA Canadian Residential Appraiser, Relinquished October 28<sup>th</sup> 2003

B.A. Bachelor of Arts granted by the University of Windsor May 1963

### **Membership**

- Appraisal Institute of Canada
- Ontario Real Estate Association
- The Canadian Real Estate Association
- The Windsor/Essex County Real Estate Board
- The Commercial Council of Canadian Real Estate Association
- Together with full access to numerous other Real Estate Boards.

## Clients Served (partial list only)

- Libro Credit Union
- Motor City Community Credit Union
- Bank of Montreal
- Canadian Imperial Bank of Commerce
- Royal LePage Relocation
- Canada Mortgage and Housing Corp.
- Farm Credit
- County of Essex
- Town of Tecumseh
- Town of Amherstburg
- Town of Kingsville
- Royal Bank of Canada
- Prudential Relocation
- London Life - Freedom Financial
- Remax Relocation
- Hydro One Networks
- Unimor Capital Corporation
- Windsor Family Credit Union
- Ing Mortgages
- First National Financial Corporation
- Korea Exchange Bank
- Manulife Bank
- Ukrainian Credit Union
- Concentra Financial Services
- Law Firms
  - McCarthy Tetrault
  - Paul Mullins
  - Hickey & Byrne
  - Paroian & Skipper
  - And many more
- Accounting Firms
  - KPMG Inc.
  - Ernst & Young
  - LBDO Dunwoody & Associates
  - Deloitte & Touche
  - Hyatt Lassaline
  - Collins Barrow

**INSURANCE CERTIFICATE - CERTIFICAT D'ASSURANCE**

<b>Named Insured/Assure nomme:</b>	<b>MEMBERS OF THE APPRAISAL INSTITUTE OF CANADA</b>
<b>Insured/Assure:</b>	Donald Fuerth
<b>Address of Insured/</b>	2260 Foster Ave
<b>Adresse de l'assure:</b>	Windsor, ON N8W 5C9
<b>Certificate Number/Certificat No.:</b>	AIC 02148
<b>Policy Period For Insured/Periode d'assurance pour l'assure:</b>	December 31, 2021 To December 31, 2022
<b>AIC Membership</b>	AACI - Accredited Appraiser Canadian Institute

This is to confirm for the indicated type of practice that the following insurance is in effect/

La present certificat confirme que l'assurance suivante est en vigueur pour la categorie de pratique indique:

Master Policy/contrat-cadre

<b>Insurer</b>	<b>Policy No.</b>	<b>Policy Period</b>	<b>Coverage</b>
Trisura Guarantee Insurance Company	NPL1002489	December 31, 2021 to December 31, 2022	Appraisers Professional Liability Insurance/ Assurance de Responsabilite Professionnelle des Evaluateurs

<p><b>Sum Insured/Montant assure:</b>  <b>\$2,000,000 each occurrence and \$2,000,000 in the aggregate annually./</b>  <b>\$2,000,000 par sinistre et \$2,000,000 montant de la garantie par armee d'assurance.</b></p>
---

Date: December 13, 2021

Authorized Representative

**HUB International Canada**  
595 Bay Street, Suite 900, Toronto, ON M5G 2E3  
Tel: 416-619-8242 aicinsurance@hubinternational.com

**INSURANCE CERTIFICATE - CERTIFICAT D'ASSURANCE**

<b>Named Insured/Assure nomme:</b>	<b>MEMBERS OF THE APPRAISAL INSTITUTE OF CANADA</b>
<b>Insured/Assure:</b>	Cara Pazur
<b>Address of Insured/</b>	2260 Foster Avenue
<b>Adresse de l'assure:</b>	Windsor, ON N8W 5C9
<b>Certificate Number/Certificat No.:</b>	AIC 11454
<b>Policy Period For Insured/Periode d'assurance pour l'assure:</b>	November 4, 2022 To December 31, 2022
<b>AIC Membership</b>	Candidate - Candidate Member

This is to confirm for the indicated type of practice that the following insurance is in effect/

La present certificat confirme que l'assurance suivante est en vigueur pour la categorie de pratique indique:

Master Policy/contrat-cadre

<b>Insurer</b>	<b>Policy No.</b>	<b>Policy Period</b>	<b>Coverage</b>
Trisura Guarantee Insurance Company	NPL1002489	December 31, 2021 to December 31, 2022	Appraisers Professional Liability Insurance/ Assurance de Responsabilite Professionnelle des Evaluateurs

**Sum Insured/Montant assure:**

\$2,000,000 each occurrence and \$2,000,000 in the aggregate annually./

\$2,000,000 par sinistre et \$2,000,000 montant de la garantie par armee d'assurance.

**Date:** November 4, 2022

Authorized Representative

## **APPENDIX D-2**

### Wetland Site Appraisal

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**APPRAISAL REPORT  
AGRICULTURAL PROPERTY  
VACANT LAND**

**LOCATED AT**

**PART LOTS 15-16 CONCESSION 5 MERSEA  
TOWN OF LEAMINGTON, ON**



**FOR**

**MUNICIPALITY OF LEAMINGTON  
C/O PERALTA ENGINEERING**

**BY**





# Fuerland

REALTY LTD. BROKERAGE

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July 9<sup>th</sup> 2019

**Municipality of Leamington**

**Re: Lebo Creek Drain Watershed Rehabilitation Project**

c/o Peralta Engineering

Re: Appraisal of a Vacant Agricultural Property

Located at Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON

Applicant: Town of Leamington - Our File# FR19 – 9592 - Your File # D15-029

As requested, we have completed an investigation and valuation analysis to estimate the current market value of a vacant agricultural property located at Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON as of July 8<sup>th</sup> 2019, the date of our inspection. The function of this report is to assist the Town of Leamington in their negotiations with the current land owner for the acquisition of the property for the purposes of establishing the Lebo Creek drain as a Municipal Drain and relieving the system of flooding.

The property is comprised of a 148.32± acre site (Per MPAC), currently unimproved. It is estimated that 10.5± acres are wet land and not workable.

This appraisal report, containing 69 pages plus addenda, is valid only if it bears the original signature of the author(s) and all conclusions are subject to all Terms of Reference, Assumptions and Limiting Conditions contained herein.

### **Current Market Value**

**THREE MILLION TWO HUNDRED AND SIXTEEN THOUSAND FIVE HUNDRED DOLLARS**

**\$3,216,500**

Respectfully,

FUERLAND REALTY LTD

Don Fuerth B.A., AACI, P. App

**EXECUTIVE SUMMARY**

EFFECTIVE/INSPECTION DATE: July 8<sup>th</sup> 2019

INTEREST VALUED Fee Simple Estate

PURPOSE AND FUNCTION: The purpose of this appraisal is to provide an estimate of the Current Market Value of the Property as of the effective date. The function of this report is to assist the Town of Leamington in their negotiations with the current land owner for the acquisition of the property for the purposes of establishing the Lebo Creek drain as a Municipal Drain and relieving the system of flooding.

ADDRESS OF PROPERTY: Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON

ROLL NUMBER: 3706 670 000 00400  
3706 670 000 00600

PIN NUMBER 750910245

REGISTERED OWNER: A Driedger Farms Inc.

LEGAL DESCRIPTIONS: Part Lot 16 Concession 5, Mersea, Designated as Part 1, Plan 12R9900, Save and Except Part 1, Plan 12R22852 and Part 1 Plan 12R24906, Part Lots 15-16, Concession 5 Mersea as in R1503688, Save and Except Parts 1, 2 Plan 12R22374, S/T a Drainage Agreement as in CE36938, Town of Leamington, County of Essex, Ontario

TYPE OF PROPERTY: Agricultural Property - 200 – Farm Property Without Any Buildings or Structures

IMPROVEMENTS - EXISTING: None

LAND AREA: 148.32± acre site (Per MPAC), currently unimproved.

ZONING: A1 Agricultural

HIGHEST AND BEST USE: As Vacant: Agricultural site  
As Improved: N/A

MARKET CONDITIONS Positive

MARKET EXPOSURE ± 6 to ± 9 Months

VALUE ESTIMATES: **Direct Comparison Approach** **\$3,216,500**

**FINAL ESTIMATE OF VALUE: \$3,216,500 Current**

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## **PREFACE**

**THE PROPERTY**

The real property, which is the subject of this report, is referred to throughout as the “Property”. The Property is located at **Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON.**

**EFFECTIVE DATE**

The effective date of the value estimate is **July 8<sup>th</sup> 2019**, the date of our inspection.

**CLIENT**

This report has been prepared at the request of **the Town of Leamington.**

**LIABILITY**

It is not reasonable for anyone other than the client to rely upon this report without first obtaining written authorization from Fuerland Realty Ltd. This report has been prepared on the assumption that no other person will rely on it and all liability to all such persons is denied.

**COPYRIGHT**

All copyright is reserved to Fuerland Realty Ltd. and this report is considered confidential by Fuerland Realty Ltd. Possession of this report or any copy of this report thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner without the prior consent and approval of Fuerland Realty Ltd, as to the purpose, form and content of any such disclosure, quotation or reference.

**PUBLICATION**

Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum, or in any documents filed with any governmental agency without the prior written consent and approval of Fuerland Realty Ltd. as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

**PURPOSE**

The purpose of this appraisal is to provide an estimate of the **Current Market Value** of the Property as of the effective date.

**FUNCTION**

The function of this report is to assist the Town of Leamington in their negotiations with the current land owner for the acquisition of the property for the purposes of establishing the Lebo Creek drain as a Municipal Drain and relieving the system of flooding.

**SPECIAL LIMITING CONDITION**

When preparing an appraisal for lending purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent loan underwriting criteria. Correspondingly, we assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices. When we authorize a lender to rely on this report, we grant such authorization subject to the lender completing a thorough diligent investigation that reasonable concludes that the borrower has the intention and capacity to repay the loan.

**EXTRAORDINARY LIMITING CONDITIONS**

In accordance with Canadian Uniform Standards, certain modifications or exclusions of Standards Rules are permitted in the preparation of an appraisal report, provided that these modifications or exclusions do not compromise the objectivity of the appraiser or limit the scope of the report to an extent that the results may not be credible. The following Extraordinary Limiting Conditions apply to this report:

- A “Cost Approach to Value” for the subject property has not been undertaken. Therefore, we have made no effort to analyze the feasibility of the development itself.
- A title search of the subject property being appraised or comparable sales analyzed has not been undertaken, therefore we have not expressed any opinions as to the state of the titles themselves.

In estimating the pro-rated value of the required lands, we have not taken into account:

- The special use to which the Town of Leamington will put the property;
- Any increase or decrease in the value of the property resulting from the development or imminence of the development of the lands in question; or
- Any increase or decrease in the value of the property resulting from the property being put to a use that could be restrained by any court or is contrary to law or is detrimental to the health of the occupants of the property or to public health.

**EXTRAORDINARY ASSUMPTION**

Extraordinary Assumptions presume as a fact otherwise uncertain information about physical, legal or economic characteristics of the subject property and is defined as “an assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>1</sup>

An auxiliary outlet for the Sturgeon Creek Drain is going to be established to relieve flooding problems that are being experienced as a result of the higher intensity storms that have been occurring. For the purposes of this report, this proposed improvement is deemed to have neither any positive or negative effect of the value of the subject property.

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<sup>1</sup> Canadian Uniform Standards of Professional Appraisal Practice - 2014

## APPRAISAL FORMAT

This report has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice. As such all appropriate practices and requirements have been employed in the completion of this assignment.

At the appraiser's discretion, given its intended use, the report is presented in a short narrative format. Appraisal practices and valuation procedures are the same regardless of the presentation format (unless specifically stated otherwise). The short narrative format provides a reasonably high degree of detail and has become the industry norm for most assignments, particularly with respect to mortgage lending institutions.

## MARKET VALUE

Market Value is defined as: <sup>2</sup>

*“The probable price, which a property should bring in a competitive market under all Conditions requisite to a fair sale, the buyer and seller, each acting prudently, Knowledgeably and assuming the price is not affected by undue stimulus.”*

Implicit in the definition is the consummation of a sale at a specified date and the passing of title from seller to buyer under conditions whereby:

- i. Buyer and Seller are typically motivated;
- ii. Both parties are well informed or well advised, and each is acting in what they consider their own best interests;
- iii. A reasonable time is allowed for exposure in the open market;
- iv. Payment is made in Canadian Dollars or in comparable financial arrangements.
- v. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

In the case of the subject the Market Value Opinion expressed with respect to the subject property is:

**Current Value Opinion:** Refers to an effective date contemporaneous to the date of the report, at the time of inspection or at some other date within a reasonable short period from the date of inspection when market conditions have not or are not expected to have changed.

The market value definition applicable under the Federal Expropriation Act is as follows: *“the amount that would have been paid for the interest if, at the time of its taking, it had been sold in the open market by a willing seller to a willing buyer”*.

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<sup>2</sup> Appraisal Institute of Canada

## **EXPOSURE TIME**

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Exposure time is defined as:

*“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale as market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market”.*

The estimate may be expressed as a range and can be based on one or more of the following:

- statistical information about days on market;
- information gathered through sales verification; and,
- interviews of market participants.

The reasonable exposure period is a function of price, time and use, not an isolated estimate of time alone.

The Property would be perceived by the typical buyer as agricultural. A review of recent transactions of agricultural sales in the County of Essex on the MLS system from August 8<sup>th</sup> 2017 to July 8<sup>th</sup> 2019 in excess of \$200,000, indicated average list duration of 65 days for 16 sales with an average sale price of \$722,954. The average list price was \$815,450 with a list price to sale price ratio of 88.66%.

Assuming that the subject “agricultural” property would have been listed by a recognized commercial brokerage firm at an asking price that would be about 10% to 15% higher than the market value estimate in this report, an “Exposure Time” of three to six months prior to the effective date would be reasonable.

## **ENVIRONMENTAL ISSUES**

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that may affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

No obvious or observed items were specifically noted on the day of the inspection.

**TITLE**

Inherent in this valuation is a clear title, other than noted in the report, that would not pose any undue delays in the marketing or trading of the property. Therefore a comprehensive analysis of the title was not completed.

**PROPERTY RIGHTS**

A fee simple estate is defined as:<sup>3</sup>

*“An absolute fee, a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation.”*

The property rights being appraised are those of a "fee simple" interest, clear of any liens, encumbrances or indebtedness not specifically noted within this report.

**DILIGENCE**

The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pertinent to the objective of this appraisal.

**PRIVACY ACT**

**Fuerland Realty Ltd** takes privacy very seriously. We collect personal information to better serve our customers, for security reasons, and to provide customers and potential customers with information about our services. We would like to have a lifelong relationship of good service with our customers, and for that reason we may retain any personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to Fuerland Realty Ltd. to businesses working for us, and to any organization that acquires part or all of our business, provided that they agree to comply with our privacy policy. By accepting this report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respects with the contents of our Privacy Policy. If you wish to see a copy of our Privacy Policy, or have privacy questions or concerns, please contact the Fuerland Realty Ltd Privacy Officer by phoning (519) 966-0881 or by e-mail at: **dfuerth@fuerlandrealty.com**.

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<sup>3</sup> Appraisal Institute of Canada

## SCOPE OF THE APPRAISAL

Each appraisal assignment is unique, depending upon the type and size of property being appraised; the complexity and significance of the appraisal problem; and the intended function of the appraisal. The appraisal problem that is the focus of this engagement has been discussed and defined with the client; the work required to solve the problem planned; and the necessary market data acquired, analyzed, and reconciled into an estimate of the market value. The tasks and items necessary to complete this assignment included the following:

- (1) Assembly and analyses of relevant information pertaining to the property being appraised, including acquisition particulars if acquired within three years prior to the date of the appraisal;
- (2) An inspection of the Subject Property and the surrounding area
- (3) Assembly and analyses of pertinent economic and market data.
- (4) An analysis of land use controls pertaining to the Subject Property.
- (5) An in-depth discussion and statement of Highest and Best Use.
- (6) A discussion of the appraisal methodologies and procedures employed in arriving at indications of value;
- (7) Inclusions of all appropriate photographs, maps, graphics and addenda/exhibits.
- (8) Reconciliation of the collected data into an estimate of market value as at the Effective Date of the appraisal.

The process and specific tasks necessary to complete this appraisal assignment included the following:

Mr. Don Fuerth, AACI, P.App. inspected the Subject Property on July 8<sup>th</sup> 2019; photographs included in the report were obtained during the inspection.

- (1) Regional, municipal and neighbourhood data were obtained from the Town of Leamington, Essex County and the of Fuerland Realty, which are constantly in the process of being updated. Data concerning the neighbourhood was also gained from an inspection by the appraiser.
- (2) Data concerning the Subject Property was gained from searches on the Geowarehouse and MPAC information services. A full search of title was not completed for this valuation. We did not complete technical investigations such as: detailed inspections or engineering review of the existing structure, roof or mechanical systems, an environmental review of the property, a site or building survey, or investigations into the bearing qualities of the soils.
- (3) In determining the Highest and Best Use of the Subject Property, the above mentioned data was analyzed, along with an investigation of land use controls pertaining to the Subject Property.
- (4) The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client supplied information, which we assumed to be correct. The mandate for this appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so we did not fully document or confirm by reference to primary sources all information herein.

- (5) In consideration of the purpose and intended use of the appraisal herein, only the Direct Comparison Approach has been used in the estimation of the Current Market Value of the Subject Property. The Cost Approach to value and the Income Approach to value have not been used in the valuation of the Subject Property.

All data considered appropriate for inclusion in this Current Market Value appraisal is to the best of our knowledge factual. The findings have been conveyed as a Current Market Value Narrative Appraisal Report, according to the guidelines as set out in the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP-2018) as adopted by the Appraisal Institute of Canada.

An Extraordinary Limiting Condition has been invoked from the Canadian Uniform Standards of Professional Appraisal Practice – 2018, in order to reflect the fact that the Cost Approach to Value and the Income Approach to value have not been used in the valuation of the Subject Property. The Direct Comparison Approach only has been used in the valuation of the Subject Property. *Neither of the other two approaches are considered appropriate for vacant sites.* As well the appraiser did not conduct a title search with respect to the subject property.

This Current Market Value Narrative Appraisal Report is intended to comply with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. It presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the stated intended use. The appraiser is not responsible for the unauthorized use of this report.

*Audits and Technical Investigations:*

The author did not complete technical investigations such as:

- Detailed inspections or engineering review of the structure, roof or mechanical systems;
- An environmental review of the property;
- A site or building survey;
- Investigations into the bearing qualities of the soils.

**EXTENT OF RESEARCH**

The following sources were investigated during the course of this Appraisal:

- I. Fuerland Realty Ltd Data Bank;
- II. Registry Office Records;
- III. Applicable Real Estate Board (Multiple Listing Service record);
- IV. Land Use Controls from Municipal Officials, Various Government Agencies;
- V. On Line information supplied by Teranet.

## COMMUNITY PROFILE - TOWN OF LEAMINGTON



### Overview

Leamington, a beautiful community of 30,000, is located 45 minutes from the Windsor/Detroit international border, and within a one-day's drive of over 125 million people, almost half of North America's population.

Point Pelee National Park is at the doorstep of Leamington and represents a fine example of unique flora and fauna not found elsewhere in Canada. Pelee Island is a short fairy ride away and makes for a wonderful escape on a summer afternoon. The ideal climate fosters a profitable and rapidly expanding greenhouse and agricultural industry and affords us the second longest growing season in all of Canada.

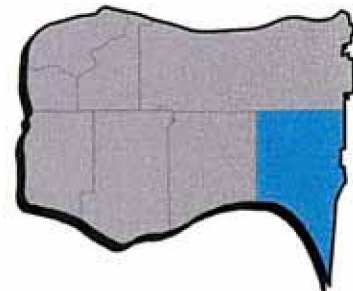
The Town of Leamington and Township of Mersea were amalgamated into the Municipality of Leamington on January 1, 1999. The "new" community presents a unique profile: a thriving and modern urban environment surrounded by greenhouses and traditional agricultural crops as well as enterprises associated with the automotive and manufacturing economies of the region.

The area's rapidly growing greenhouse industry represents \$1 billion in farm gate value. Over 60% of Ontario's greenhouses can be found in the Leamington/Kingsville area. In fact, the area's greenhouse acreage is larger than the entire U.S. greenhouse industry combined. The majority of crops grown are destined for markets in the United States. Principal crops include tomatoes, seedless cucumbers and peppers. Floriculture, including potted plants, bedding plants and roses is also an important part of Leamington's greenhouse economy.

Leamington was recognized in **April 2006 Money Sense** magazine as "**The Number One place to live in Canada**", beating out a field of 108 other communities. Leamington was chosen number one based on categories including weather, income, population, growth, home prices, economic diversity, unemployment and the number of people who walk to work.

### Boundaries

The Municipality is located along the north shore of Lake Erie sharing the 42<sup>nd</sup> parallel with Northern California making Leamington the southern-most municipality in Canada. Leamington is bordered by Lake Erie to the south, the County line of Essex (which borders Chatham-Kent) to its east, County Road 8 to its north and County Road 31 to the west.



### Transportation Infrastructure

Good access to Highway 401 is provided by Highway 77 and Highway 3. A new Highway 3 by-pass around the municipality allows for rapid movement of goods on either side of Leamington. Highway 18 is both a scenic and important highway link to Leamington from western Essex County. Ferry service to and from Pelee Island and Sandusky, Ohio runs from April through November for tourist travel as well as the movement of agricultural commodities and business travel to the island. A private commercial airport also serves the municipality.

## Development

Leamington enjoys a mixed economy with tremendous potential for growth. Food processing and agriculture remains the mainstay of the local labour force; however, other industry, particularly in the automotive sector, has become increasingly important. Leamington is known as the “**Greenhouse Capital of North America**” and the “**Tomato Capital of Canada**” and enjoys the greatest number of sunshine hours (over 2000 according to Agriculture Canada) of any municipality in Canada. With over 1500 acres of greenhouses in the surrounding area, the industry has become technologically sophisticated as well as serving as a major source of employment and an important source of new investment. Immigrants to the area from the bedrock of the greenhouse industry with the next generation expanding into new technologies bringing the industry to a new level of success.

The water distribution system and the sewage treatment capacity have been expanded to facilitate future growth in the Leamington area, keeping future costs under control.

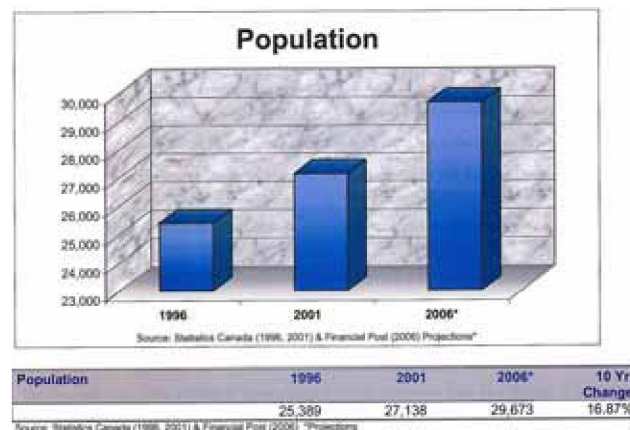
## Land Availability

Several municipality-owned serviced parcels of industrial land are available at very competitive rates. Other zoned parcels are available and could be developed as required. A full range of industrial and commercial real estate and “build to suit” specialists are available locally. Leamington’s Development Services Department can provide one-stop access to building officials, zoning by-laws, engineering services and planning to make the development process a smooth experience.

The economic development office would be pleased to make arrangements for you to tour the area and to meet with local land specialists and building officials. Government legislation prevents the offering of incentives to attract industry, but our favourable business environment, our access to markets and labour supply, as well as the wonderful social and cultural amenities available in Leamington make our community deserving of your full attention. Building permits totaled \$67.7 million in 2005, an indication of Leamington’s investment potential.

## Population Characteristics

The population of Leamington has continued to increase steadily, with an average annual growth rate of 1.69% higher than the national and provincial averages.



## Monthly Economic Monitor – June 2019

Population		
	2016	2011
Amherstburg	21,936	21,541
Essex	20,427	19,569
Kingsville	21,552	21,359
Lakeshore	36,611	34,414
LaSalle	30,180	28,550
Leamington	27,953	28,735
Pelee Island	235	171
Tecumseh	23,229	23,600
<b>Windsor-Essex</b>	<b>398,953</b>	<b>388,782</b>

Source: Statistics Canada, 2016 Census

Unemployment Rates – Windsor CMA (%)			
	May 2019	April 2019	May 2018
Windsor CMA	5.7	5.6	5.9
Ontario	5.7	5.8	5.6
Canada	5.8	5.8	5.9

Source: Statistics Canada, June 2019, figures represent a seasonally adjusted 3 month moving average.

Labour Force Characteristics – Windsor CMA			
	May 2019	April 2019	May 2018
Labour Force	186,600	186,000	174,900
Employed	175,900	175,600	164,500

Source: Statistics Canada, June 2019, figures represent a seasonally adjusted 3 month moving average.

Windsor's unemployment rate has increased by 0.1% compared to last month and is equal to the provincial rate and continues to remain slightly below the overall country's average.

The participation rate has increased slightly compared to last month and therefore indicates that more people have entered the labour force (employed or actively seeking employment).

The overall population that is currently employed in Windsor CMA has increased compared to last month's values. Employment in finance, insurance and real estate sectors, construction and accommodation and food services showed an increase in employment this month compared to last month.

Employment in manufacturing experienced a decrease in employment compared to last month.

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

Labour Force Characteristics – Windsor-Essex			
	Q1 2019	Q1 2018	2018
Population 15+	343,400	337,800	339,075
Labour force	211,700	202,100	207,025
Employment	199,200	190,100	194,675
Full-time	159,600	152,000	157,350
Part-time	39,600	38,100	37,325
Unemployed	12,500	12,000	12,350
Not in labour force	131,800	135,700	132,050
Unemployment rate (%)	5.9	5.9	6.0
Participation rate (%)	61.6	59.8	61.1
Employment rate (%)	58.0	56.3	57.4

Source: Statistics Canada, Labour Force Survey, Custom Tabulation, Q1 2019

Employment by Industry – Windsor-Essex			
Industry	Q1 2019	Q1 2018	2018
Agriculture	3,100	2,800	3,500
Forestry, fishing, mining and oil and gas extraction	0	0	0
Utilities	1,500	0	400
Construction	12,300	11,100	12,000
Manufacturing	45,700	45,500	46,700
Trade	29,000	24,500	25,000
Transportation and warehousing	8,200	10,100	8,700
Finance and insurance real estate and leasing	6,300	7,800	6,900
Professional, scientific and technical services	7,800	8,400	8,600
Business, building and other support services	7,300	5,900	5,800
Educational services	13,800	16,500	15,000
Health care and social assistance	27,500	22,600	25,800
Information and cultural and recreation	6,400	4,500	5,700
Accommodation and food services	15,800	15,400	15,100
Other services (except public administration)	8,700	7,800	8,200
Public administration	7,100	5,900	6,500
<b>Total</b>	<b>200,600</b>	<b>190,100</b>	<b>193,900</b>

Source: Statistics Canada, Labour Force Survey, Custom Tabulation, Q1 2019

Note: 0 indicates an estimate less than 1500

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

Employment by Occupation – Windsor-Essex			
Occupations in:	Q1 2019	Q1 2018	2018
Management	15,800	14,300	12,300
Business, finance and administration	26,900	29,200	26,300
Natural and applied sciences and related	15,500	11,700	12,400
Health	18,100	12,000	16,400
Education, law and social, community and government services	21,600	21,000	20,100
Art, culture, recreation and sport	2,800	3,400	3,400
Sales and service	46,600	44,400	46,500
Trades, transport and equipment operators and related	29,500	28,200	32,000
Natural resources, agriculture and related production	2,200	2,700	3,500
Manufacturing and utilities	20,300	23,200	21,900
<b>Total, all occupations</b>	<b>199,200</b>	<b>190,100</b>	<b>194,800</b>

Source: Statistics Canada, Labour Force Survey, Custom Tabulation, Q1 2019

Note: 0 indicates an estimate less than 1500

Job Gains/Losses – Windsor-Essex		
	May 2019	Year-to-Date
Job Gains Announced	20	676
Job Losses Announced	0	0

Source: Employment and Social Development Canada; The Windsor Star; CTV News Windsor

Note: Layoffs are not included in job counts; Temporary or seasonal positions are not included in job counts

Wild Child Nightlife bar is hiring for various positions in Windsor and is expected to open in spring. Also, 1840 Social Resto + Bar opened in Windsor.

The new Food Basics grocery store in Tecumseh is hiring for various positions. There are no official numbers given with respect to how many jobs this will create.

The Bearded Dog Brewing Company opened a microbrewery pub in Harrow.

Pressure Drop, a new clothing boutique, with a café and bar, opened in Ford City.

In the Town of Essex, Canadel Custom Dining Furniture opened and construction has begun on a new A&W restaurant which is expected to employ about 20 workers when it opens.

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

Housing Starts – Windsor-Essex		
	Q1 2019	Q1 2018
Amherstburg	16	41
Essex	3	7
Kingsville	21	37
Lakeshore	12	27
LaSalle	49	8
Leamington	8	8
Tecumseh	3	0
Windsor	45	51
<b>Total</b>	<b>157</b>	<b>179</b>

Source: Canada Mortgage and Housing Corporation (CMHC), Total – All Dwelling Types

Housing Starts – Windsor CMA				
	May 2019	May 2018	Year-to-date 2019	Year-to-date 2018
Singles	57	59	154	135
Multi-Family	22	36	66	58
<b>Total</b>	<b>79</b>	<b>95</b>	<b>220</b>	<b>193</b>

Source: Canada Mortgage and Housing Corporation (CMHC), Total – All Dwelling Types

Housing Sales – Windsor-Essex		
	May 2019	May 2018
Units Sold	656	664
Average Price	\$334,446	\$301,670

Source: Windsor-Essex County Association of Realtors, Monthly Statistics

Rental Market – Windsor CMA		
	Vacancy Rate	Average Rent
Bachelor	6.0	\$600
1 Bedroom	3.4	\$772
2 Bedroom	1.9	\$915
3 Bedroom +	1.5	\$1,090
<b>Total</b>	<b>3.0</b>	<b>\$818</b>

Source: Canada Mortgage and Housing Corporation (CMHC), October 2018

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

Building Permits – Windsor-Essex				
	May 2019	May 2018	Year-to-date 2019	Year-to-date 2018
Industrial	\$1,374,890	\$1,747,500	\$25,249,754	\$17,339,851
Commercial	\$7,695,364	\$10,350,813	\$43,381,867	\$16,684,590
Institutional	\$4,657,075	\$6,130,195	\$29,513,823	\$14,915,841
<b>Total</b>	<b>\$13,727,329</b>	<b>\$18,228,508</b>	<b>\$98,145,444</b>	<b>\$67,168,790</b>

Source: Municipal Building Departments

Note: Figures are preliminary and are subject to change.

In Windsor, the largest permit issued in May was for alterations to existing Assumption College residences (\$1.4 million).

The largest permit issued in the county was in Leamington for renovations to Queen Elizabeth Public School (\$900 thousand).

#### CONFERENCE BOARD OF CANADA - KEY INDICATORS

Regional GDP by Sector – Windsor CMA			
	2020*	2019*	2018
	(Mil. \$ 2007)	(Mil. \$ 2007)	(Mil. \$ 2007)
<b>Total</b>	14,028.25	13,820.14	13,615.73
Goods-Producing Industries	5,635.11	5,546.43	5,467.70
Manufacturing	4,524.16	4,470.51	4,417.50
Construction	925.42	892.40	870.63
Primary and Utilities	185.53	183.52	179.56
Services-Producing Industries	8,393.13	8,273.72	8,148.03
Wholesale Trade	653.52	645.14	634.35
Retail Trade	709.48	701.07	693.44
Transportation and Warehousing	565.79	559.63	554.09
Information and Cultural Industries	234.61	234.84	235.08
Finance and Insurance, Real Estate and Rental and Leasing, and Building, Business and Other Support Services	2,452.26	2,397.49	2,345.16
Professional, Scientific and Technical Services	448.13	440.64	430.73
Educational Services	854.27	851.71	849.16
Health Care and Social Assistance	1,020.63	1,004.56	986.79
Arts, Entertainment and Recreation	136.74	135.12	132.86
Accommodation and Food Services	369.41	364.31	357.86
Other Services	264.18	258.50	253.18
Public Administration	684.12	680.72	675.32

\* Forecast data

Source: Conference Board of Canada, Metropolitan Data January 2019

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

**Ranking of Windsor CMA's GDP Growth Compared to 29  
Other CMAs**

Year	Growth Rate	Rank
2018	2.2	16
2019*	1.5	23
2020-2023*	1.5	22

\* Forecast data

Source: Conference Board of Canada, Metropolitan Outlook Report Winter 2019

**Retail Sales – Windsor CMA**

	2019*	2018	2017
Total Sales (\$ millions)	5,401	5,220	5,058
Percentage Change	3.5	3.2	6.7

\* Forecast data

Source: Conference Board of Canada, Metropolitan Outlook Report Winter 2019

**Consumer Price Index (CPI) – Windsor CMA**

	2019*	2018	2017
CPI (2002 = 1.0)	1.382	1.352	1.319
Percentage Change	2.2	2.6	1.7

\* Forecast data

Source: Conference Board of Canada, Metropolitan Outlook Report Winter 2019

**Population and Labour Market – Windsor CMA**

	2020*	2019*	2018
Population	352,799	350,576	348,277
Labour Force	177,883	177,126	174,830
Total Employment	167,032	166,144	164,475
Unemployment Rate (%)	6.1%	6.2	5.9
Net International Migration	1,772	1,767	2,007
Net Interprovincial Migration	-177	-168	-103
Net InterCity Migration	174	170	166
Natural Increase in Population	454	481	509

\* Forecast data

Source: Conference Board of Canada, Metropolitan Data January 2019

**Bankruptcies – Windsor CMA**

	2017	2016	2015
Consumer	451	432	560
Business	12	29	14

Source: Conference Board of Canada Metropolitan Outlook Report Winter 2019

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

Regional Employment by Sector – Windsor CMA			
Sector	2020*	2019*	2018
<b>Total</b>	<b>167,032</b>	<b>166,144</b>	<b>164,475</b>
<b>Goods Sector</b>	<b>52,794</b>	<b>51,642</b>	<b>51,457</b>
Manufacturing	40,136	39,011	39,445
Construction	9,832	9,556	8,942
Primary Industries and Utilities	2,825	3,076	3,070
<b>Services Sector</b>	<b>114,238</b>	<b>114,502</b>	<b>113,018</b>
Wholesale Trade	4,003	4,305	4,203
Retail Trade	16,362	17,704	16,603
Transportation and Warehousing	7,006	6,629	6,985
Information and Cultural Industries	1,664	1,931	1,763
Finance and Insurance, Real Estate and Rental and Leasing, and Building, Business and Other Support Services	12,603	12,505	11,404
Professional, Scientific and Technical Services	8,006	7,543	7,641
Educational Services	12,208	11,999	13,091
Health Care and Social Assistance	23,865	23,473	22,529
Arts, Entertainment and Recreation	3,871	3,643	3,451
Accommodation and Food Services	12,600	12,620	12,858
Other Services	6,211	6,209	6,510
Public Administration	5,839	5,941	5,981

\* Forecast data

Source: Conference Board of Canada Metropolitan Data January 2019

Note: Windsor CMA includes the City of Windsor and the Towns of Amherstburg, Lakeshore, LaSalle and Tecumseh.

WindsorEssex Economic Development Corporation

## **REGIONAL OUTLOOK**

### **Essex County**

Essex County is a great place to start a new business or expand an existing one. It is a multi-faceted community that offers a wide spectrum of business resources complemented by an incomparable quality of life.

### **History**

Essex County was one of the first counties to be settled in Upper Canada, later to become Ontario, mostly dominated by French settlers in the mid-18th century. Around 1747, the first permanent settlements began to appear on what is now the Canadian side of the Detroit River. Amherstburg and Sandwich were the first towns established in Essex County, both in 1796 after the British finally ceded and evacuated Fort Detroit. After the American Revolution, and the War of 1812 (1812-1815), people continued to migrate north to the area, and coming from the east from Lake Ontario and the St. Lawrence River of Lower Canada seeking land. Settlers began to move eastward along the north shore of Lake Erie. Over the years, more people from all over the world have moved into Essex County, making it the fourth most ethnically diverse place in Canada with over 100 nationalities represented.

### **Economic Development 1850 to Present**

In 1854 the Great Western Railway connected the Detroit frontier with the east, crossing Essex County. The Canadian terminal was in Windsor, which consequently forged ahead of the other towns of the county. Other railway lines were built which connected settlements in Kingsville, Harrow, Essex and Leamington. By the late 19th century Essex County had seen fur trading and logging, land clearing and farming, road building and railway development, saw mills and gristmills, railway stations and water ports. By this time the forests were disappearing, replaced by fertile farmland.

Also noticeable in some farmers' fields, are oil pumps, particularly near Belle River and Leamington, Ontario, in the northern and eastern parts of the county, respectively. This is from oil shale within the bedrock of the Marcellus Formation. Essex County is home to Canada's largest wind farm as of June 2012. This is due, both to its ideal wind conditions and abundance of available farm land.

### **Geography**

It is the southern-most county and census division in Canada located in Southwestern Ontario. Essex County has a population of 181,765, and the census division including Windsor and Pelee has a population of 398,953 as of the Canada 2016 Census, making it one of the most populous divisions in Ontario.

Essex County is largely composed of clay-based soils, with sandy soils along the beaches and shores. For the most part, Essex County is flat farmland, with some woodlots. There is a small 30–50-foot-high ridge near Kingsville and Leamington in the southern part of the county, and large marshland near Hillman Marsh Conservation Area, and Point Pelee National park. The most built-up part of the county is the city of Windsor, Ontario. Excluding Windsor, Leamington is the most-urbanized part of the county.

### **Climate**

Essex County hosts some of the warmest summer weather in Canada, noting that it is the most southern part of Canada. The area always has four distinct seasons. Cold, wet winters with considerable amounts of snow, and warm or hot summers. Early spring to late summer is the best time for thunderstorm development. Many storms are categorized as severe, often bringing small to significant sized hail and strong, possibly damaging winds. Tornadoes can be likely with certain storms. Most storms travel from Michigan into Ontario. Southwestern Ontario averages the most tornadoes in Canada. Temperatures usually cool by mid to late October, making way for winter. Snowfall will usually start between mid-Novembers to Late-December.

## **Restructuring**

In 1992, discussions began to take place to reduce the number of individual municipalities, which at the time numbered 21 in the County. This culminated on January 1, 1999 when a Minister's Order by the Ontario Minister of Municipal Affairs and Housing was implemented, putting in place the new municipal structure for the County of Essex.

The current municipalities in Essex County are:

Amherstburg  
Essex  
Kingsville  
Lakeshore  
LaSalle  
Tecumseh  
Leamington

## **Historic population:**

2016: 181,765 (5-year growth rate: 4.6%)  
2011: 177,720 (5-year growth rate: 0.6%)  
2006: 176,642 (5-year growth rate: 6.7%)  
2001: 165,501 (5-year growth rate: 9.2%)  
1996: 152,352

## **Strategic Location**

The Windsor-Essex Region offers one of the best locations in North America for owning a business. The region connects all major passenger transportation corridors and is a portal for global trade and passenger travel. Half of the North American population is located within an eight-hour drive of the region, providing a large consumer base for Windsor-Essex companies. With the Ambassador Bridge and the Windsor-Detroit Tunnel, Windsor-Essex is also home to the busiest Canada-U.S. border crossing, accounting for 40 per cent of all Canada-U.S. trade and making it the busiest crossing in the world by dollar volume. With more than 25 per cent of U.S. export goods coming to Canada, more trade crosses the Ambassador Bridge than total U.S. exports to Mexico; twice as much as U.S. exports to Japan; and more than the U.S. exports to all European Union states combined. In fact, 30 U.S. states count on Canada as their top export market.

## **Key Industries**

With Windsor-Essex being geographically linked to Detroit, Michigan, the region's history is intertwined with that of America's Motor City. Windsor is said to be the automotive capital of Canada with its long contribution to the automotive industry both locally and internationally. Advanced manufacturing has been a key component of Windsor-Essex's economy for more than 100 years. From the building of automobiles and peripheral industries such as parts manufacturing, Windsor-Essex's enviable geographic location that provides companies with daily access to the Eastern and Midwestern United States.

Life sciences and research and development also play significant roles in the region's economy. Huge investments over the past decade have seen the establishment of a number of research institutes where professionals across a variety of industries work to create new products and services. Windsor-Essex's location in southern Ontario also provides the region with tremendous weather, which contributes to a steady agricultural industry. It has the largest Greenhouse Industry in North America. It also creates an environment for the region's wineries to flourish, which in turn attracts people from all over the world to sample Windsor-Essex's award-winning vintages.

## **Low Cost of Doing Business**

Conducting business in Windsor-Essex is cost-effective. Municipally owned industrial land prices in Windsor-Essex are significantly lower than prices in other communities of similar size in Ontario. An integrated local supply chain also provides businesses with benefits including reduced overheads.

In addition to Windsor-Essex's specific benefits, Canada as a whole has among the most competitive business tax structures in the G8. Lucrative R&D tax incentives allow companies to conduct research and develop new products and services in a cost-effective manner.

Windsor-Essex boasts competitive labour rates, including wages and benefits, and can leverage a favourable exchange rate with U.S. counterparts. Access to numerous government incentive programs for investment attraction also help companies offset costs for items such marketing.

Windsor-Essex is also equipped with the latest business necessities. Widely available, reliable broadband allows businesses to stay connected, and affordable, reliable energy sources ensure that companies in Windsor-Essex can maximize their bottom lines.

## **Low Cost of Living**

Although different factors such as lifestyle, marital status, size of family, income and so on have a huge role to play in people's quality of life, The Windsor-Essex Region has some of the most stable and affordable housing of any region its size in Ontario.

The market has something to offer to both buyers and sellers alike with all types of housing such as condominiums, apartments, duplexes, and houses. The ongoing low interest rates continue to persuade first time buyers to enter the Essex market from all over the country. The average Windsor-Essex home can be purchased at less than half of the price of an average home in Toronto.

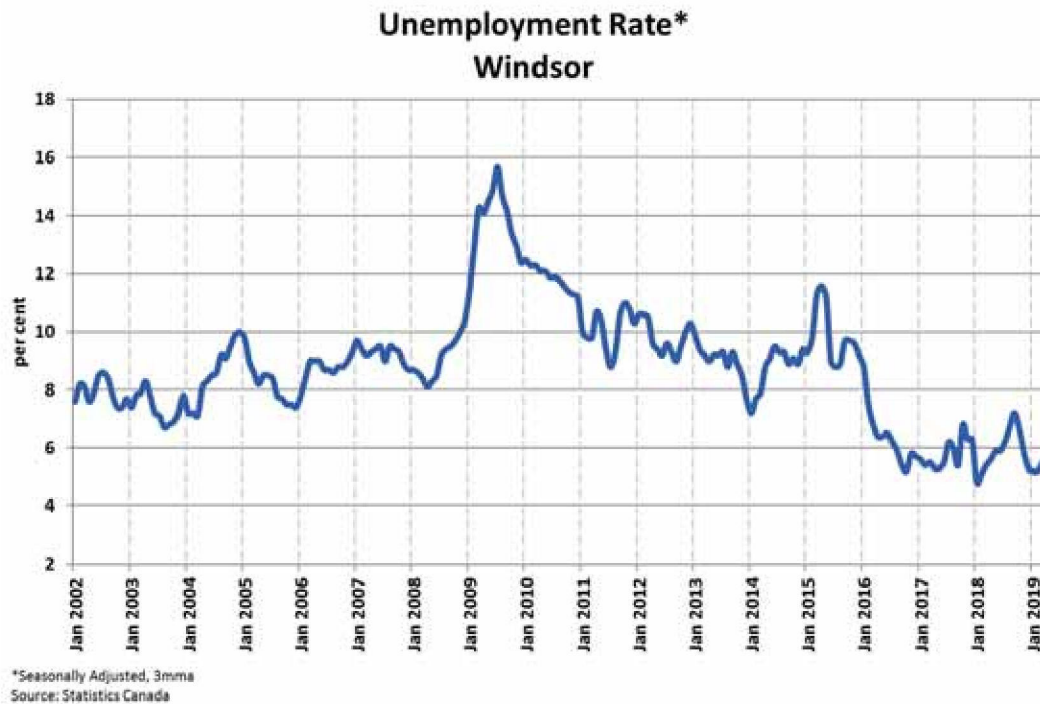
Housing prices in Windsor-Essex have been consistently below those in communities of similar size and substantially below prices in the GTA. For the same price as an average house in Toronto, you can purchase a 3,000 sq. ft. executive, two storey in Windsor.

## WINDSOR ECONOMIC OUTLOOK

The Windsor-Essex County economic region's main export industries are manufacturing and agriculture. Its principal center is the Windsor Census Metropolitan Area (CMA) with a population of 398,953 and is forecast to grow even more in 2019. Net migration will account for a larger share of total growth mainly from more immigration and less out-migration to other provinces and regions in Ontario.

The region's economic recovery, led by the Windsor CMA, has been slowly but steadily grinding higher with a few exceptions. External factors such as the depreciated Canadian dollar, fast U.S. economic growth, and lower oil prices are beginning to lift the region's outlook. In addition, local factors such as a new and expanded transportation network and existing manufacturing infrastructure will facilitate and accommodate growth. During the next two years, improved but still moderate growth is foreseen.

Total employment in the Windsor CMA has increased so far in 2019. According to Statistics Canada's latest labor force survey, Windsor's unemployment has dropped to its lowest point in nine months. This growth has been led by finance, insurance and real estate services, professional and business services, and construction. Job growth in these industries has been partly offset by job declines in transportation and warehousing, retail and wholesale trade, and public administration. Windsor CMA saw an average of 2,751 job postings per month with over 120 locally in-demand occupations.



The Windsor CMA has seen substantial growth in housing market activity in 2018 based on the annual housing market outlook report by REMAX Realty. Windsor-Essex is predicted to lead the nation in 2019 with the highest percentage increase in housing prices.

Residential sales activity in Windsor-Essex rose on a year-over-year basis in the first quarter of 2019 from the first quarter of 2018. Residential property sales numbered 1,386 units in the first quarter of 2019, accelerating 10% compared to the same period in 2018. Single detached home sales rose 11.9% on a year-over-year basis in the first quarter of 2019 when compared to this time last year.

With the sale-to-new listings ratio continuing to rise, these market indicators suggest prices will climb at a faster pace through 2019. A more robust supply response from the existing housing stock and new construction is very likely to continue. The outlook is positive for further gains in the housing market against the backdrop of low mortgage rates and some improvement in economic and income growth. As the population of homebuyers continue to increase, statistics show that majority of home buyers in 2018 are millennials and they generally prefer a location that offers walkability and transportation and also diversification in amenities.

### **Demographic for Homebuyers**

#### **First-Time Buyers**

49% of first-time buyers are Millennials (25-34 years old).

40% are married.

80% are employed full-time.

61% purchased a single-detached home.

26% have a household income of \$60k – \$90k.

22% are newcomers to Canada.

Companies continue to invest in production capacity, such as Fiat Chrysler Automobiles spending \$2 billion re-tooling the Windsor plant. DF industries announced a \$105 million expansion of its urea plant at the Courtright Nitrogen Complex in St. Clair Township, MI. With more favourable conditions generally in manufacturing, Peterson Spring Canada Ltd. Is adding a new production line at its engineered-metal products plant in Kingsville. Auto parts company TRW Automotive opened a second location in Windsor in 2016 creating 60 jobs.

### **New Developments**

The Windsor Essex planning committee are currently working on a number of projects worth more than \$100 million in 2019. This project includes 400 new housing units and also bringing a vacant riverfront hotel back to life. In addition to this big investment, there are also projects planned to improve the cities' infrastructure. Some of these projects include major sewer jobs, roads, parks, pools and so on.

The most discussed development in the area is the construction of the Gordie Howe International Bridge project. October 2018, marked the official start of the bridge construction and it is said to strengthen the Windsor-Essex economy in terms of employment opportunities and housing. The project is said to require about 2,500 workers to build, design and maintain the bridge. Not only that, but the project will also expand transportation for international travelers.

Furthermore, in an effort to increase the ease of transportation both locally and internationally, the US rail passenger provider, Amtrak is looking o to restore its Detroit to Toronto service among its \$1.8-billion

budget request to the federal government in Washington. This is a topic that has been discussed for over 15 years and although there is no funding for this project yet, the interest is definitely there and actions are being taken to bring the idea to life.

In addition to new improvements coming into the Windsor-Essex region, a new company will be renovating a long-vacant University Avenue property with 236 years of history into a distinctive residential, office, retail development to be named Graffiti. It is not clear what the exact activities will be but it is being worked on and will be introduced within the year. Similarly, another group of investors are working on renovating multiple Chatham Street buildings and giving them a new life. One of these buildings is going to be a mortgage-based business called Quicken Loans and it is being renovated by Detroit businessman Dan Gilbert. The project is going to cost about \$60 million and it is expected to take up to 150 employees, predominantly software and engineer gurus.

New life continues to be injected into a dormant corridor on Chatham Street West as long-vacant buildings have been purchased by a Windsor investment group which include the old Beer Market and Chatham Street Grill. The Windsor-Essex Economic Development Corporation will soon move to some of the renovated space after signing a 10-year lease with the investment group. With Quicken loans on the same street, these previously abandoned spaces are going to be transformed and draw more residents into the Chatham street and also create more job opportunities for residents of Windsor.

Pirola Investment Group wants to build a \$45-million, 150-unit apartment project for seniors on long-vacant land at Wyandotte Street and Crawford Avenue is hoping to tap into the city's "wildly successful" incentive plan for the core. According to Pirola President, Rob Pirola, they are aiming at retiring baby boomers who want a peaceful lifestyle that does not include owning a house. Based on feasibility studies, there's a pent-up demand for this kind of housing in Windsor. The Windsor project will be aimed at middle-class seniors.

City council approved rezoning for the controversial location of Windsor's new mega-hospital.

Movati Athletics is set to build a new \$18 million, two-storey, 70,000-square-foot upscale fitness facility in Windsor. This new facility is expected to have about 125 full-time and part-time employees. Although Windsor already has a number of fitness clubs, Movati is supposedly nothing compared to the existing ones.

Recent economic trends in Ontario's farm production reveal modestly upward trends in overall price, quantity and revenue. Livestock and related products are performing better than crops and related products. Aggregate farm cash sales, production, value added, and product prices will likely continue to set new record highs.

**Trends at a Glance:**

Mortgage Rates	Mortgage rates are expected to remain at historical low levels which will continue to support housing demand and commercial development.
Employment	Employment in Windsor has increased by 0.6% in 2018 and is predicted to increase even more in 2019 with more job openings in different sectors. Forecast job growth is led by finance, insurance and real estate services,
Population	Population growth will come from immigration and less out-migration to other provinces and regions.
Resale Market	Sales will increase by 10% in 2019

**SUMMARY**

The automotive sector that has driven the manufacturing base of Western Ontario for so long is continuing to invest in production capacity, such as FCA spending \$2 billion re-tooling the Windsor Plant. Downtown continues its transformation with new investors reviving old and abandoned buildings on Chatham Street and also other parts of the city.

All property values both commercial and residential have increased in value in the last twelve months over the previous twelve months with signs of more value increases in some areas and neighborhoods in the Windsor Area the result of improved economic conditions.

The average residential sale price in 2018 was up by 13%. A more robust supply response from the existing housing stock and new construction is very likely to continue. The Windsor-Essex County Association of Realtors report says the average sales price for September 2018 was \$301,966. The average sales price for September 2017 was \$255,513.

In the commercial area sale prices have continued their stable to small average price increases of about 0.005% per month with a balance of sales to listings in the Windsor CMA.

It is clear that a lot of the new developments coming into Windsor can be considered mixed use buildings. Although there are advantages and disadvantages to this approach, mixed use buildings are a safe bet for investors because they offer higher income, cash flow, and less competition. Overall, the mixed-use approach would be beneficial to Windsor-Essex residents.

**Economic Outlook: Positive****References**

Windsor Star  
iHeart Radio AM800  
Canadian Real Estate Association  
Canada Mortgage and Housing Corporation  
CTV News Windsor  
The Windsor-Essex County Association of Realtors

**Economic Outlook: Positive.**

## AGRICULTURAL OVERVIEW

Essex County is a rich agricultural area.

### National Trends

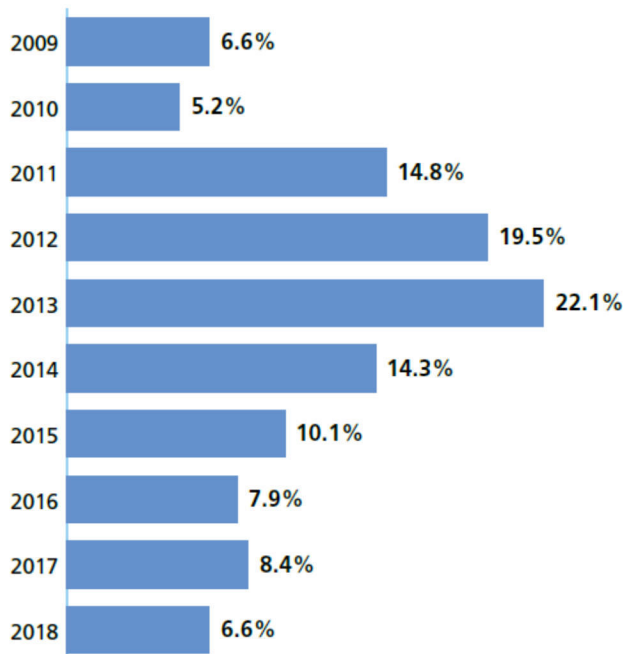
The average value of Canadian farmland increased 6.6 per cent in 2018, following gains of 8.4 per cent in 2017 and 7.9 per cent in 2016.

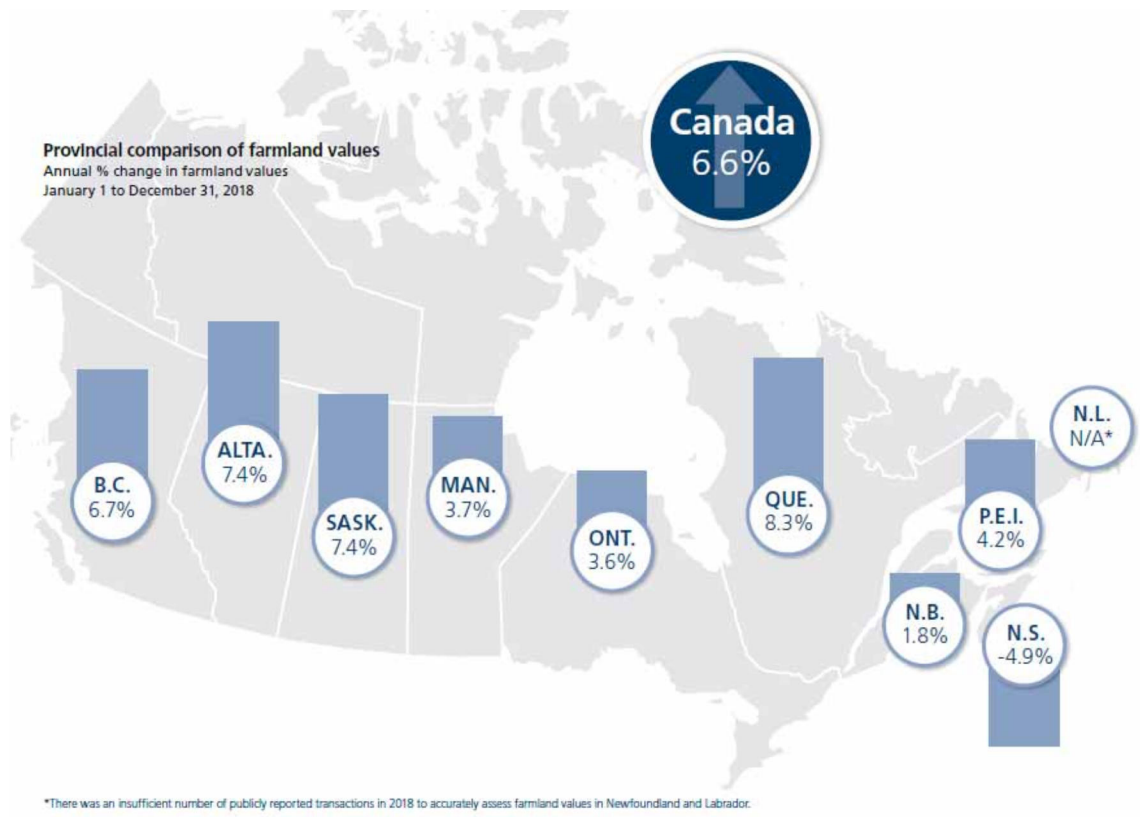
In all provinces except Nova Scotia farmland values increased. Quebec experienced the highest average increase at 8.3 per cent, followed by Saskatchewan and Alberta, both at 7.4 per cent and British Columbia at 6.7 per cent. The rest of the provinces were below the national average with Prince Edward Island's average increase at 4.2%, Manitoba at 3.7 per cent, Ontario at 3.6% and New Brunswick at 1.8 per cent. Nova Scotia recorded a decrease in average farmland values of 4.9 per cent. Note that in Newfoundland and Labrador there were not enough publicly reported transactions to fully assess farmland values.

When looking at the national results, it is important to remember the reported number is an average. The differences between regions within each province vary widely.

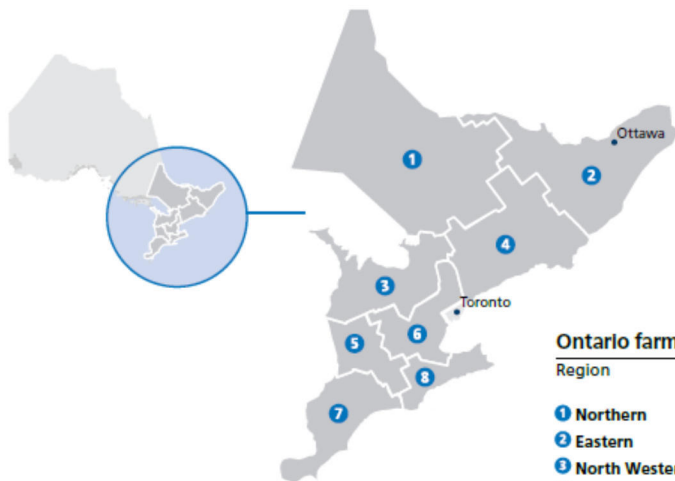
### Canada

Annual % change in farmland values





2018 FCC FARMLAND VALUES REPORT



**Ontario farmland regions**

Region	% change	Value \$/acre*	Value range**
1 Northern	0.0%	\$3,621	\$500 – \$4,600
2 Eastern	0.0%	\$9,686	\$2,400 – \$16,800
3 North Western	7.6%	\$9,049	\$5,100 – \$16,700
4 North Central	1.4%	\$7,103	\$3,500 – \$14,800
5 South Western	4.4%	\$17,561	\$11,600 – \$23,600
6 South Central	6.2%	\$16,535	\$9,500 – \$24,000
7 Southern	2.4%	\$12,435	\$7,800 – \$20,000
8 South Eastern	6.7%	\$10,593	\$6,100 – \$21,400

\*FCC reference value \$/acre.

\*\*The value range represents 90% of the sales in each area and excludes the top and bottom 5%.

## Ontario

The average value of Ontario farmland increased by 3.6 per cent in 2018, following a gain of 9.4 per cent in 2017. The province generally continued with a stable upward trend.

The North Western region experienced the highest average increase in values at 7.6 per cent, followed by the South Eastern and South Central regions with increases of 6.7 and 6.2 per cent, respectively.

Increases in these three regions were attributed to upward pressure from large intensive livestock operations, urban buyers and more specifically the imbalance between high demand and a limited supply of available land. As in the past, a mix of transactions were recorded, including private and real estate-brokered sales, auctions, tenders and inter-generational family transfers.

The Northern and Eastern regions remained unchanged.

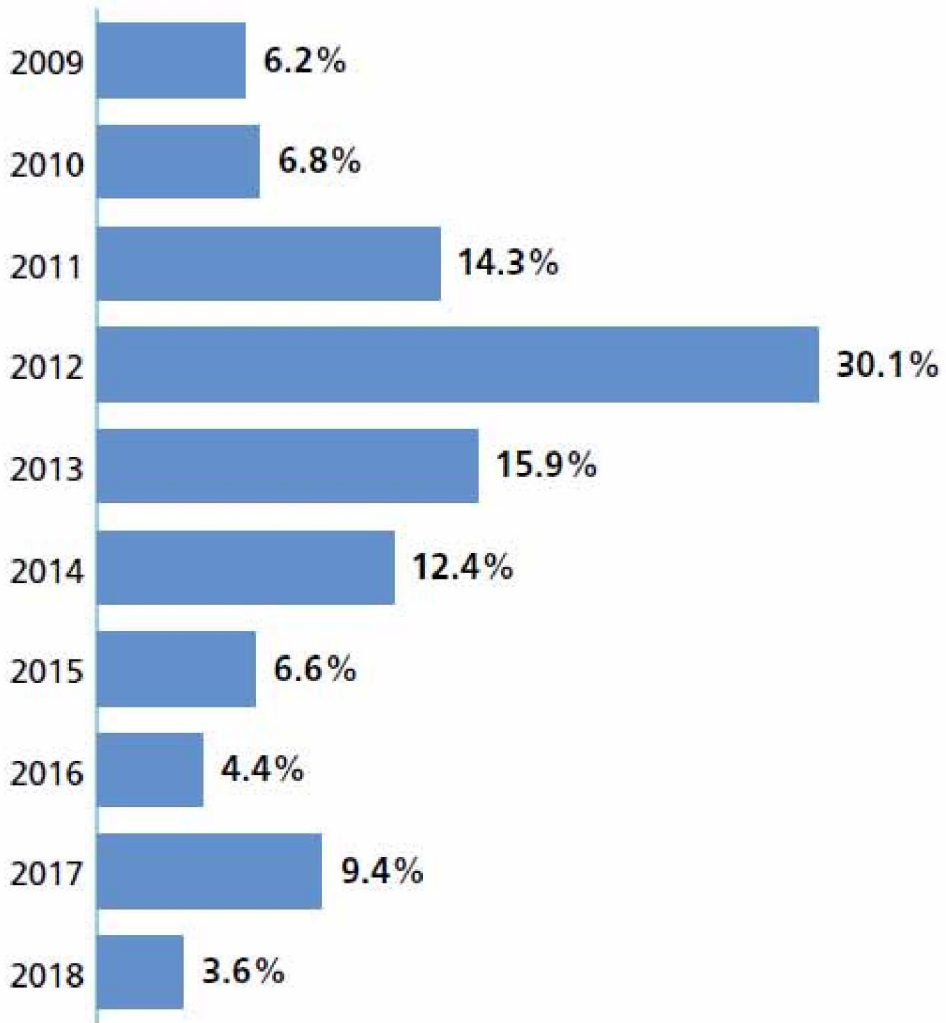
A majority of Ontario's overall farmland value increase continued to be fuelled by strong demand for a very limited amount of available land by supply-managed farm operations, cash crop producers and investors.

Land values continued to fluctuate not only from region to region, but also between areas within each region. There appeared to be less appetite for land from dairy producers in 2018.

Except for Eastern and Northern regions that remained unchanged, other regions in Ontario posted single-digit increases, ranging from 1.4 to 4.4 per cent. Demand remained strong for farmland in the regions of South Eastern and South Western Ontario where favourable soil types allow for a variety of specialty crops – including vegetables and ginseng – to be grown. Some areas in the North Central region of the province also experienced significant farmland value increases due to urban pressure and land purchases for future development.

# Ontario

## Annual % change in farmland values



## **GREENHOUSE INDUSTRY - OVERVIEW**

The Canadian greenhouse vegetable sector is the largest and fastest growing segment of Canadian horticulture. Greenhouse farming produces agricultural products in self-contained "controlled environments" with systems supplying heat, water and nutrients, and often employing artificial lighting (in addition to sunlight) to nourish the plants. This method of farming requires investment in infrastructure and a strong understanding of the technology. In the early 1990s, Canada emerged as the largest producer of greenhouse products in North America. The United States and Mexico later become important greenhouse producers.

Canada's greenhouse industry produces tomatoes, cucumbers, lettuce, peppers, green beans, eggplants and various herbs and microgreen vegetables. Of these commodities, tomatoes, cucumber and peppers are the main greenhouse vegetable crop grown in Canada.

The total harvested area of greenhouse vegetables in Canada was over 15 million square metres in 2016, which was up 7% from the previous year. There has been a steady increase in the harvested area of greenhouse vegetables in Canada over the last five years.

Ontario continued to lead the greenhouse vegetable sector in 2016, representing 70% of the total harvested area in Canada, followed by British Columbia and Quebec with 20% and 6%, respectively. Moreover, Ontario also produced 69% of Canada's greenhouse vegetables, with British Columbia (15%) and Quebec (6%) ranked second and third. The total production of greenhouse vegetables in Canada was over 600,000 metric tonnes.

The farm gate value (FGV) of Canada's greenhouse vegetables in 2016 was over \$1.3 billion, which was 4% higher than in 2015 and 27% higher than in 2012. Tomatoes accounted for 41% (\$544 million) of the total greenhouse vegetable FGV, followed by peppers and cucumbers, which accounted for 31% (\$420 million) and 25% (\$334 million), respectively.

Canadian greenhouse vegetable farms use both seasonal and permanent employees. Seasonal employees are employees who work less than eight months during the year, while permanent employees work more than eight months during the year. The total number of employees of specialized greenhouse operations has been relatively stable over the past five years. In 2016, 11,190 people were employed in the greenhouse vegetable sector: 6,520 permanent employees and 4,671 seasonal employees. Ontario itself accounted for 66% of the total number of greenhouse operation employees in Canada.

The value of greenhouse vegetable exports is the highest of all fresh produce (fruits, vegetables and potatoes) in Canada, accounting for 39% of all fresh produce exports. The total value of Canada's greenhouse vegetable exports grew for the fifth consecutive year, up 49% from 2012 to a record \$863 million in 2016. Tomatoes accounted for 40% of the total value of exports, followed by peppers with 37%. The United States has been Canada's main export destinations for greenhouse vegetables for the past five years. In 2016, the value of exports to the United States accounted for 99.5% of all Canadian greenhouse vegetable exports.

In 2016, Canada imported \$460 million of greenhouse vegetables (tomatoes, peppers, cucumbers and lettuce). The top two greenhouse vegetable import sources were Mexico, accounting for \$394 million and the United States, accounting for \$42 million. Tomatoes (52%) are the largest imported commodity, followed by peppers (38%) and cucumbers (10%).

## **Some Facts about the Industry**

Ontario greenhouse vegetable growers are located throughout Ontario. Essex County Ontario has the highest concentration of vegetable greenhouses in Canada.

### **What makes Ontario greenhouse produce unique?**

- Ontario greenhouse produce is grown using hydroponics. This means they are grown using water and nutrients, rather than soil.
- There are 2067 acres of greenhouse tomatoes, cucumbers and bell peppers in Ontario. On each acre, can be grown 10 times the amount that other conventionally grown commodities can grow!
- Producers utilize Integrated Pest Management (IPM), bringing insects that are found throughout nature and place them in greenhouses. Essentially, the good bugs help to manage the bad bugs!
- Producers were one of the first grower groups in North America to regulate food safety in the sector. They must all have a yearly third party audit to ensure that they are following important food safety standards.
- Ontario producers are less than one day's drive from the majority of markets they serve in Canada and the US.

Essex County has the largest concentration of greenhouses in North America.

The bulk of the industry is in Leamington and Kingsville with plastic and glass structures with tomatoes, cucumbers and peppers. There's about another 300 acres of flower greenhouses growing roses to mums.

Together, the greenhouse industry pumps out at least \$783 million worth of products that are shipped across North America.

The weak Canadian dollar has helped the industry, which ships much of its produce to the United States. The cost of energy is also restricting growth.

The industry is going through a lot of transitions.

By the latest statistics, Ontario has 2,565 ± acres of greenhouses growing tomatoes, cucumbers, and peppers. Of that Leamington/Kingsville have the bulk with 60 per cent of the production in tomatoes.

The operations have been growing. The average vegetable operation was 1.44 acres in 1993 but is now 10 acres per operation.

The typical modern greenhouse has glass and plastic structures, energy curtains to keep as much heat as possible inside and raised hydroponics growing systems that recycle water and allow air to circulate around the vines.

Greenhouses now cost more than the \$700,000 an acre to build a plastic structure but growers have been adding glass greenhouses in the last two years as price dropped.

While flowers dominate the greenhouse scene in Niagara, they are small part of the greenhouse activity in Essex County.

The flower industry here includes cut flowers, such as roses, potted plants from mums to poinsettias and bedding plants.

The greenhouses also contain a propagation industry that supplies other plant growers across North America.

Although greenhouse vegetables are grown in all regions of Ontario, the major producing area is in the southern part of Essex County, in and around the Town of Leamington.

The Ontario greenhouse vegetable industry is part of a global industry. The primary factors motivating this are the good market location and the quality product provided.

Tomatoes continue to be the major crop 55% to 62% of total area, with considerably more growth in peppers compared to cucumbers.

### **Trends in the Greenhouse Vegetable Sector**

Product quality and safety are seen as key elements on which to build the strength of the greenhouse vegetable market. Despite the recent problems of the greenhouse vegetable industry, the long-term prospect looks promising when one considers their market potential in North America. The optimism about the future is derived from a comparison of our levels of fruit and vegetable consumption with those of the Europeans.

Statistics show, for example, that Europeans eat ten times the cucumbers we Canadians eat and that the Americans eat ten times less than what we eat. The on-going change in consumer preferences towards fresh, natural, healthy foods can be expected to result in increased demand for greenhouse vegetables. Furthermore, it is proposed that the future prosperity of the Canadian greenhouse vegetable industry lies largely in the US market because of the untapped consumer potential of big cities like New York, Boston, Detroit and Chicago.

It is widely believed within the industry that a lot of work can be done in all provinces, and abroad, to stimulate the consumption of our greenhouse vegetables. The flourishing greenhouse ornamental industry in both Canada and USA, and its reliance on the benefits of promotion, advertising, information, research, and education is seen as an example to be followed. Given the market potential, a continuous research and technology transfer effort will be required to ensure high production efficiency and marketability of the final product.

## Summary

- Ontario is part of a global industry
- Ontario has been successful
- Ontario industry has some weaknesses
  - Does not provide 12 month supply
  - Higher costs due to heating requirements
    - Ontario has significantly more heating requirements - degree days (HDD) - than Mexico and southern US locations - this cost factor needs a continuous focus.
  - Lower yields due to location
    - Ontario receives much less radiation than Mexico and southern US locations, resulting in lower yield potential - unless supplemental lighting is economical
  - Has many smaller operations
    - The average greenhouse operation in Ontario is less than 5 acres in size.
    - Operations > 10 acres account for 41% of the production area.
    - The largest operations - top 20% - account for 58% of the production area, the remaining 80% of operations account for 42% of the production area.
  - Too many shippers given market structure
  - Not leading in innovation
  - Industry cluster not fully developed
    - Ontario depends on imports of
      - Genetic Material
      - Growing systems
      - New production ideas
      - Structures and related equipment
- Ontario has opportunities for continued success
  - The market is not saturated
  - Opportunities exist by addressing weaknesses and threats
  - Imperatives must be addressed by
    - Leading the market through innovative new products
    - Differentiating and positioning the Ontario product
    - Innovating production processes and lowering costs
    - Supplying the market through critical mass and collaboration
    - Providing 12 month supply to the market
    - Fully developing an industry cluster with supporting industries

Information presented in this section of the report has been extracted from publications produced by the Harrow Greenhouse Vegetable Research Centre and from a presentation made to the Ontario Greenhouse Vegetable Growers Association by JRG Consulting Group.

The long-term industry outlook or potential is considered by the writer to be stable.

**Greenhouse Industry Statistics, Ontario and Canada, 2014 to 2018**

Item	Ontario 2014	Ontario 2015	Ontario 2016	Ontario 2017	Ontario 2018	Canada 2014	Canada 2015	Canada 2016	Canada 2017	Canada 2018
Glass ('000 sq m)	3,979	4,152	x	5,313	5,714	8,347	8,407	8,918	9,966	10,072
Plastic ('000 sq m)	8,923	9,116	x	9,125	9,360	13,184	13,325	13,343	13,000	13,293
<b>Total Area ('000 sq m)</b>	<b>12,902</b>	<b>13,268</b>	<b>14,146</b>	<b>14,438</b>	<b>15,074</b>	<b>21,531</b>	<b>21,732</b>	<b>22,261</b>	<b>22,966</b>	<b>23,365</b>
sales to retail florists (\$'000)	81,745	81,727	69,108	66,885	68,840	184,359	191,366	171,091	165,701	182,864
sales to domestic wholesalers (\$'000)	189,691	202,292	192,741	205,356	211,359	269,337	289,641	278,827	283,137	305,878
sales to mass market chain stores (\$'000)	241,055	235,261	230,604	229,726	236,441	446,942	451,802	476,139	488,711	476,895
sales to other greenhouses (\$'000)	73,406	100,148	102,799	109,993	113,208	137,133	167,809	161,190	175,181	160,590
exported (\$'000)	74,610	73,635	83,816	78,701	82,002	118,452	123,238	144,400	141,880	159,569
direct sales to public(a) (\$'000)	76,174	79,275	91,259	61,122	62,908	221,633	215,669	224,132	201,410	220,248
other channels (\$'000)	20,939	23,021	20,177	23,076	22,750	65,097	66,515	54,393	47,893	50,700
<b>Total Ornamental and Plant Sales (\$'000)</b>	<b>757,620</b>	<b>795,359</b>	<b>790,504</b>	<b>774,859</b>	<b>797,508</b>	<b>1,442,953</b>	<b>1,506,040</b>	<b>1,510,172</b>	<b>1,503,913</b>	<b>1,556,744</b>
<b>Total Value of Greenhouse Vegetables (\$'000)</b>	<b>805,429</b>	<b>835,121</b>	<b>860,696</b>	<b>918,909</b>	<b>963,121</b>	<b>1,255,975</b>	<b>1,295,856</b>	<b>1,331,163</b>	<b>1,437,089</b>	<b>1,511,251</b>
<b>Total Greenhouse Sales (\$'000)</b>	<b>1,563,049</b>	<b>1,630,480</b>	<b>1,651,200</b>	<b>1,693,768</b>	<b>1,760,629</b>	<b>2,698,928</b>	<b>2,801,896</b>	<b>2,841,335</b>	<b>2,941,002</b>	<b>3,067,995</b>
<b>Total greenhouses (no.)</b>	<b>1,035</b>	<b>1,012</b>	<b>999</b>	<b>931</b>	<b>895</b>	<b>2,777</b>	<b>2,733</b>	<b>2,705</b>	<b>2,592</b>	<b>2,517</b>
Total employees(b) (no.)	15,314	15,682	15,714	16,055	16,000	33,197	33,379	32,612	33,089	32,578
Total payroll (\$'000)	348,844	379,829	389,728	408,589	417,606	663,025	713,207	713,055	735,287	746,629
Total purchase value(c) (\$'000)	274,388	286,927	307,290	319,378	323,830	463,320	482,930	505,806	523,242	532,596
Total fuel cost (\$'000)	149,650	145,647	129,113	137,253	142,727	232,038	225,711	203,220	216,908	222,523
Electricity(d) (\$'000)	38,255	41,433	46,716	44,517	44,725	68,723	71,905	76,115	79,050	79,334

(a) Includes roadside stands and owner-owned retail outlets

(b) Includes seasonal and permanent labour

(c) Includes value of flowers, plants, cuttings, seedlings, seeds and bulbs purchased (before sales tax)

(d) Electricity expenses for lighting, airflow fans and heating

x data suppressed due to confidentiality restrictions

Note: area and no. of greenhouses include only specialized greenhouse flower, plant and vegetables

Source: Statistics Canada, CANSIM tables: 32-10-0019-01; 32-10-0022-01; 32-10-0023-01; 32-10-0026-01; 32-10-0245-01  
09 May 2019



# FACT SHEET



## Ontario Greenhouse Vegetable Growers

Represents all greenhouse tomato, pepper and cucumber growers in Ontario.

### Nature at Work

Our growers practice Integrated Pest Management which utilizes ladybugs as biological controls and greatly reduces the need for pesticides. Bumblebees are introduced into the greenhouse to pollinate tomato and pepper vines.



### Growing Practices

The hydroponic, controlled greenhouse environment enables our farmers to grow a uniform product that **minimizes waste** and **maximizes yield** and quality.

### Food Safety

Our growers, marketers and packers undergo annual third-party food safety audits to ensure they comply with all food safety standards.



### Licensing

OGVG regulates the licensing of all growers, packers and marketers.



### Distribution

Marketers sell Ontario Greenhouse produce to retailers and foodservice operators across North America.



### Export

Over 70% of our farmers' produce is exported to the United States.



### Logistics

Our farmers are less than a one day's drive from the majority of markets they serve in Canada and the United States.

Source: Statistics Canada



## TOMATOES

AVAILABILITY: FEB. - DEC.



beefsteak, roma, tomatoes on the vine, cherry, grape and cocktail tomatoes

## PEPPERS

FEB. - DEC.



green, red, yellow and orange sweet peppers, mini pointed peppers, mini bell peppers and hot peppers

## CUCUMBERS

YEAR-ROUND



seedless cucumbers, mini seedless cucumbers and cocktail seedless cucumbers

*Our growers produce:*



**13,000  
EMPLOYEES**

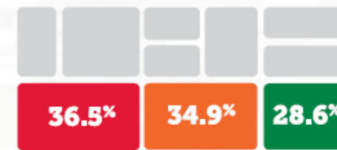
### Sector Employment

Accounts for over 13,000 employees.

### Production by Commodity

**Tomatoes = 987 acres**  
**Peppers = 945 acres**  
**Cucumbers = 775 acres**  
**Total = 2,707 acres**

### 200 Farms



The Ontario Greenhouse Vegetable Growers organization, headquartered in Leamington, ON, has proudly represented the Ontario greenhouse vegetable sector since 1967. It recently released its *2016 Fact Sheet*, providing a concise overview of Ontario's current greenhouse production.

OGVG represents all greenhouse tomato, cucumber and pepper farmers in Ontario. It regulates the licensing of all growers, packers and marketers of Ontario hydroponic greenhouse growers.

Its farmers practice integrated pest management — utilizing good bugs to manage the bad bugs — and introduce bumblebees to pollinate tomato and pepper crops.

The hydroponic, controlled greenhouse environment enables Ontario's growers to produce a uniform product that minimizes waste and maximizes yield and quality.

The farmers also undergo annual third-party food safety audits to ensure they comply with all food safety standards.

The 2016 Fact Sheet states that over 70 percent of its farmers' produce is exported to the U.S., which is less than one day's drive from the majority of markets they serve in both Canada and the U.S. Of total growers, 43 marketers sell Ontario greenhouse produce to retailers and foodservice operators across North America.

OGVG's members produce English (seedless) cucumbers, mini cucumbers, red, yellow, orange and specialty peppers, tomatoes-on-the-vine, Beefsteak and specialty tomatoes.

Today there are 200 farms in Ontario that grow greenhouse vegetables, spanning 2,707 acres of greenhouses.

By commodity, Ontario production of tomatoes represents 36.5 percent of greenhouse production on 987 acres; peppers represent 34.9 percent of production on 945 acres; and cucumbers represent 28.6 percent on 775 acres.

From 2015 to 2016, the Ontario greenhouse sector grew by 160 acres, or 6.28 percent. The total farm gate value of production in 2015 was \$820 million. The sector accounts for over 13,000 employees.

## NEIGHBOURHOOD

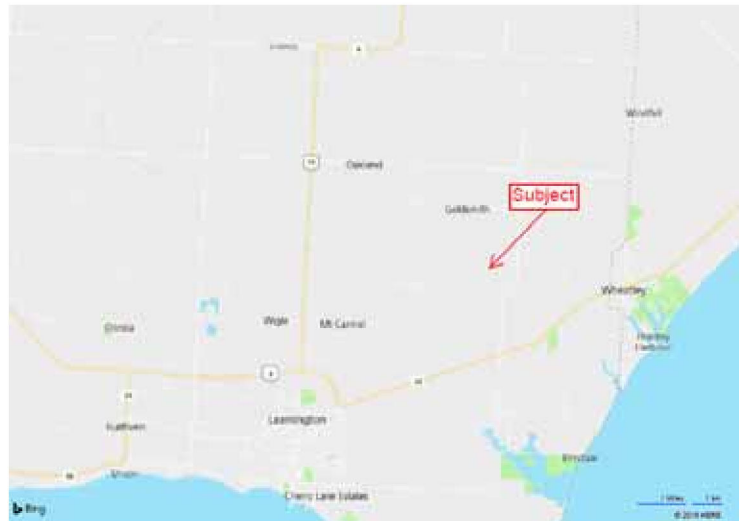
The subject property is located north east of the Town of Leamington between Mersea Road 5 and Mersea Road 6, west of County Road 37.

In the immediate neighbourhood of the subject property are several other cash crop farms, greenhouse properties and single family residential dwellings.

No adverse influences have been noted in the area and zoning bylaws are in effect and enforced.

In summary the subject property is located in a rural neighbourhood close to the centre of an active and growing agricultural industry with ready access to all major arteries.

*Location Map*



*General Neighbourhood*



*Street Scene West*



*Overhead View of  
Immediate Neighbourhood*



## Site Description

- i) Location: Rural – Agricultural Greenhouse operations, cash crop farm and residential dwellings dominate the surrounding area.
- ii) Dimensions: Irregular
- iii) Area: +/- 143.82 Acres - Total Property source: [MCAP & Geowarehouse Applicant]

*MPAC Map*



*Field Scene*





The above figure is an excerpt from a 1947 Soil Survey Map. The survey was first taken in 1939.

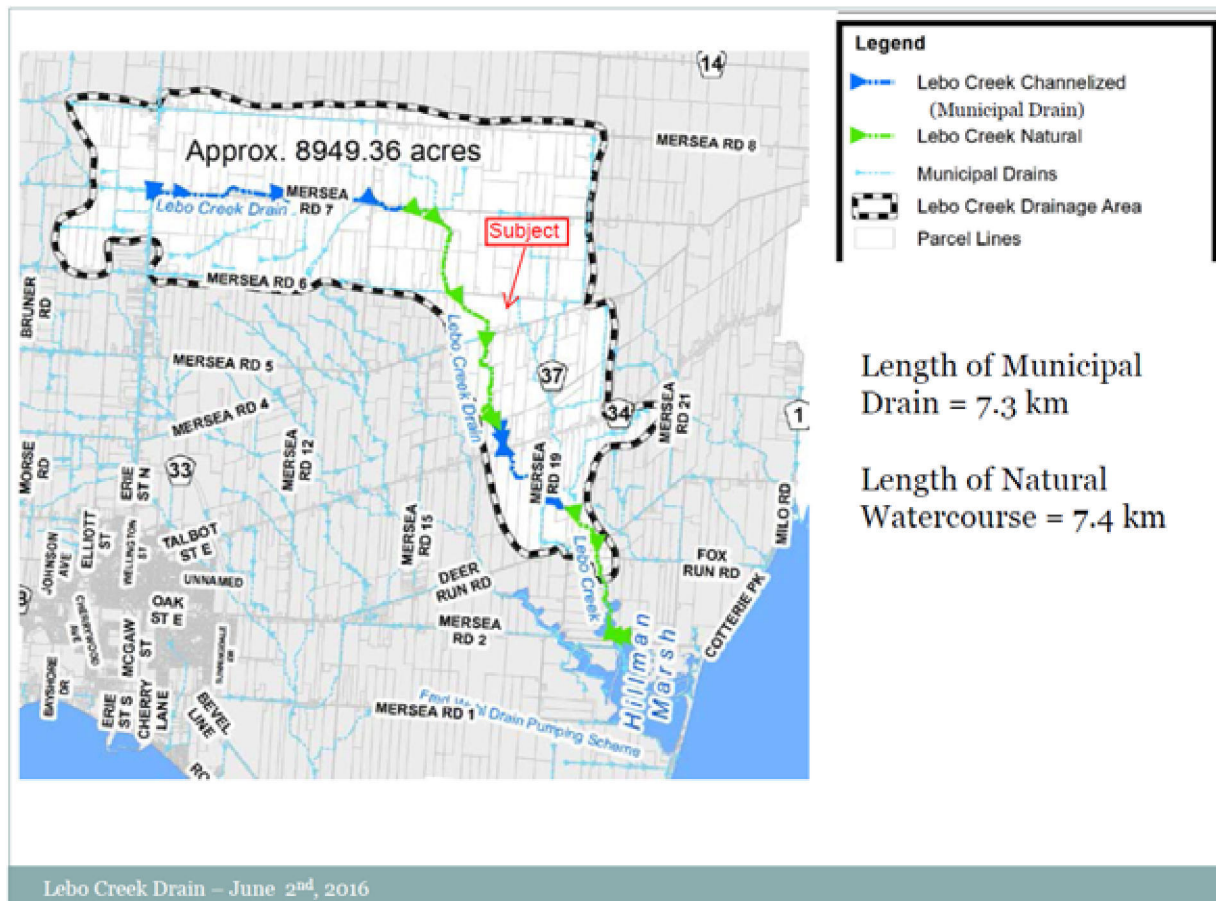
The map identifies the subject soil type as Brookston Clay Sand Spot Phase and Berrien Sandy Loam

The surrounding region along with these soil classifications has proven to be well suited for cash crop farming.

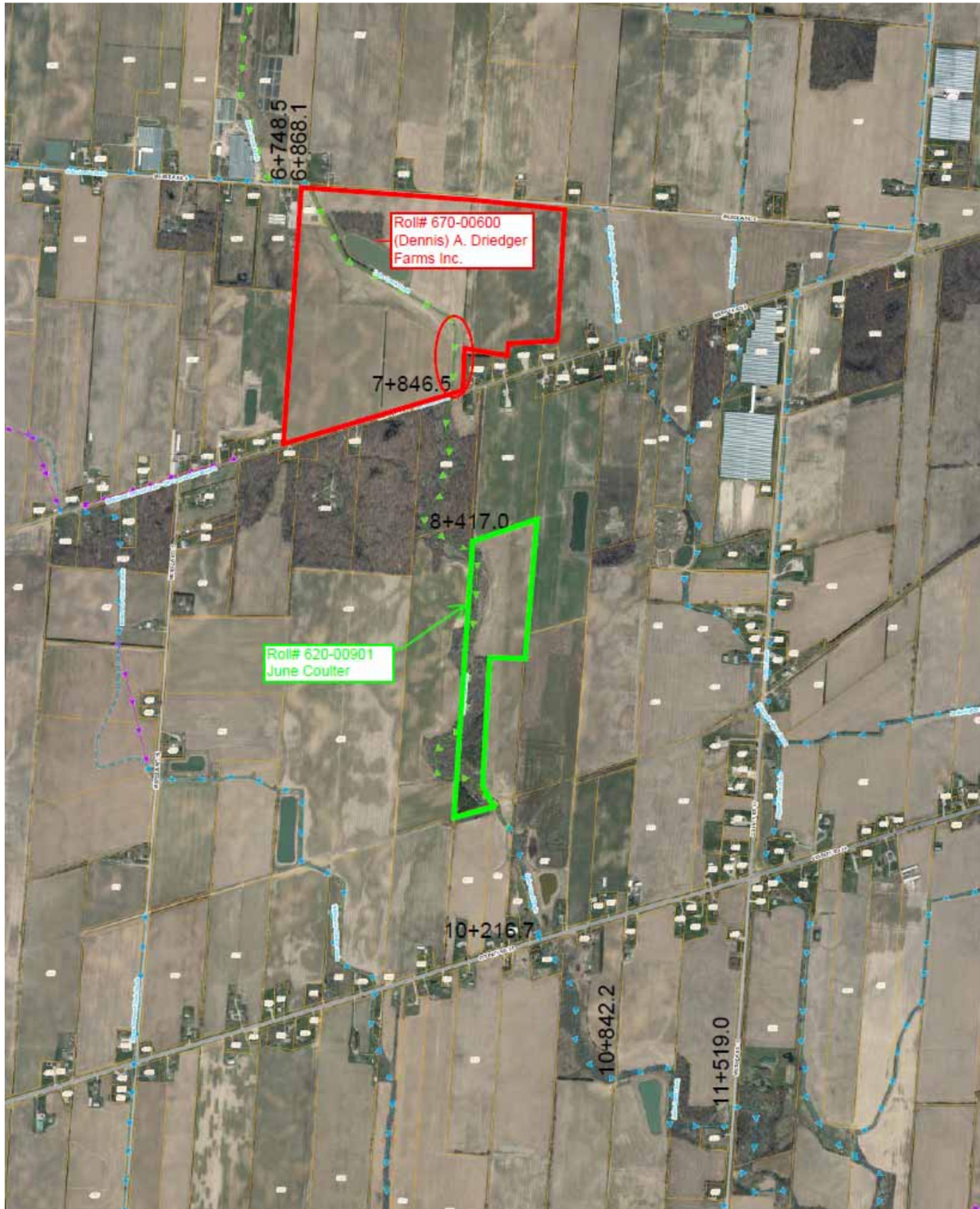
An Environmental Site Assessment has not been provided to the writer for consideration. The report assumes that any contamination, if existing, would fall within prescribed regulatory levels for this type of property.

Further, it is assumed that soil conditions are capable of supporting the subject buildings for their remaining life expectancies.

Should these assumptions be incorrect all value estimates would be subject to review



### Location of Property in Lebo Creek Drain Area



**ASSESSMENT, MUNICIPAL TAXES**

The Town of Leamington Tax Department provided the following information concerning the property:

Address: Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON

Owner: A Driedger Farms Inc.

Total Assessment: \$1,477,000

2019 Taxes: \$N/A±

Property Codes 200 Farm Property without any buildings/structures

**Comments:**

- Taxes are essentially based on a tax rate that applies to all properties with the same classification. Assessments are to be applied in a consistent manner. Therefore property taxes should also be distributed in a consistent manner.
- Due to the mass appraisal techniques employed by the assessors minimal consideration is given to the assessed value as an indication of market value.
- Assessed values for agricultural properties are based on a common base as of 2010 and do not necessarily reflect the current market situation.
- Taxes for agricultural properties are 25% of the rate charged for residential properties.

**PROPERTY OWNERSHIP HISTORY**

There is no public record of the subject having been listed or offered for sale in the past thirty-six months.

**PART 2 - ANALYSIS**

## **LAND USE CONTROLS**

Land use in the Province of Ontario is regulated by the Planning Act, 1990, Statutes of Ontario, 1990, Chapter 1, as amended, and is administered by the Minister of Municipal Affairs. The Planning Act addressed implementation of the Official plan and the Zoning By-Law.

## **OFFICIAL PLAN**

The Planning Act, 1990, as amended, Chapter 1 (h) defines Official Plan: “official plan” means a document approved by the Minister, containing objectives and policies established primarily to provide guidance for the physical development of a municipality or a part thereof an area that is without municipal organization, while having regard to relevant social, economic and environment matters;

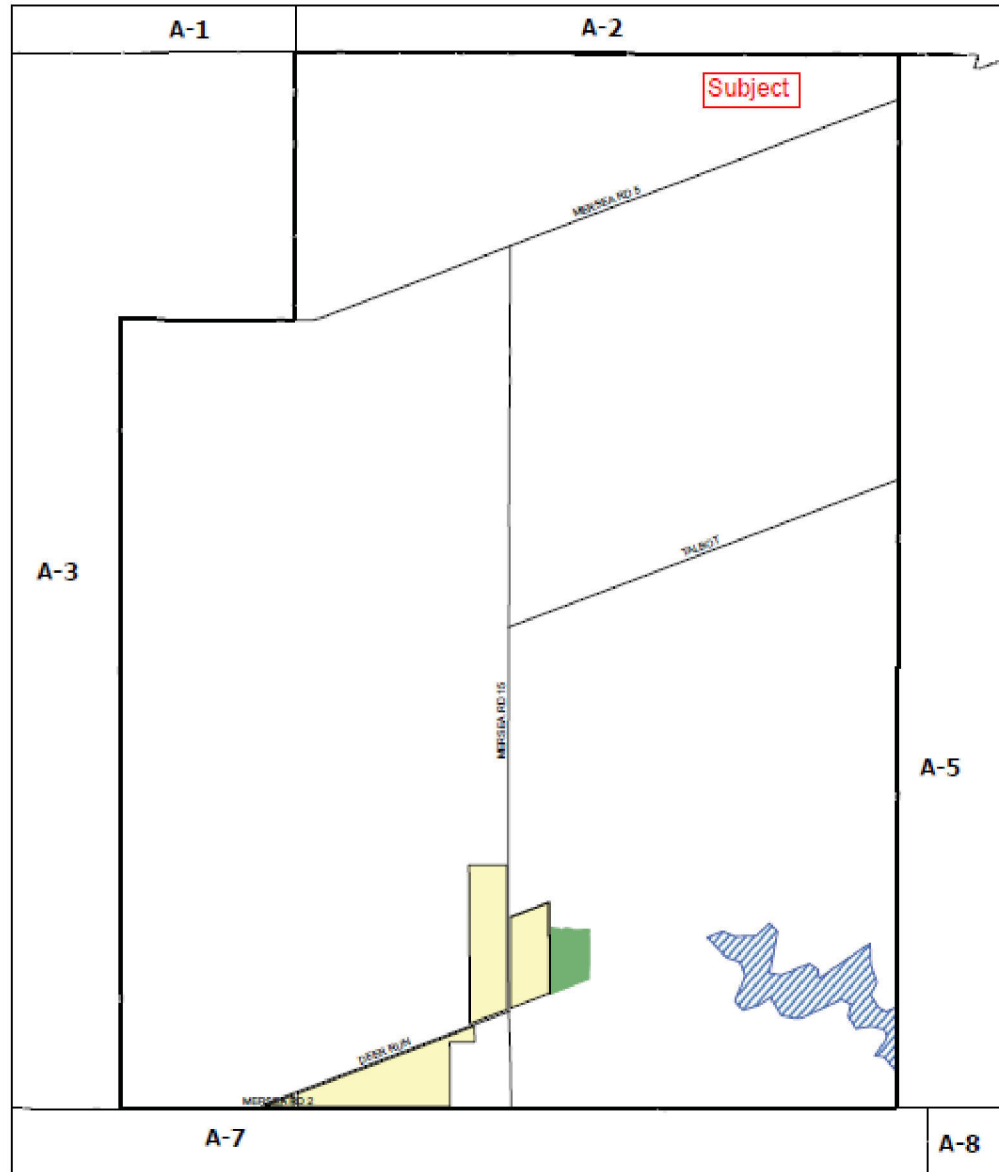
The Official Plan for the Municipality of Leamington applies to all lands within the corporate limits. The restructured Municipality was incorporated on January 1<sup>st</sup>, 1999 joining the former Town of Leamington and Township of Mersea into the Municipality of Leamington. The Municipality of Leamington has a land area of 26,440 hectares and an estimated 2000 population of 27,000. Geographically, Leamington is located in the south east corner of Essex County bordered by the Town of Kingsville to the west, the Town of Lakeshore to the North, the Municipality of Chatham-Kent to the east and Lake Erie to the south.

In accordance with Section 17 of the Planning Act, R.S.O. 1990 the Council of a municipality may provide for the preparation of a plan suitable for adoption as the Official Plan of the municipality. An official plan is defined in the Planning Act as a document, approved by the Minister, containing objectives and policies established primarily to provide guidance for the physical development of a municipality while having regard to relevant social, economic and environmental matters. Section 24 of the Act further provides that where an Official Plan is in effect no public work shall be undertaken and no by-law passed for any purpose unless it is in conformity with the Official Plan.

The Official Plan for the former Town of Leamington designates the subject property as Agricultural. Areas designated Agricultural represent the majority of the land area in the Municipality of Leamington. Agriculture, including an extensive vegetable and flower greenhouse farming area, is an extremely important component of Leamington’s land use. The purpose of the goals and policies of the Official Plan are to protect prime agricultural lands for agricultural purposes while acknowledging that the community will continue to grow and prosper in an orderly and responsible manner. It is acknowledged that all of the land in the Municipality of Leamington is prime agricultural land in accordance with Provincial Policy and accordingly, development in this area is strictly controlled and monitored.

The subject site’s current usage as an agricultural operation is in conformity with the Town of Leamington Official Plan

### OFFICIAL PLAN MAP



- NATURAL FEATURES AND AREAS**
- PROVINCIALY SIGNIFICANT WETLAND
  - NATURAL ENVIRONMENT
- OTHER LAND USES**
- AGRICULTURAL
  - RURAL RESIDENTIAL

**SCHEDULE "A-4"**  
**OFFICIAL PLAN**  
**MUNICIPALITY OF**  
**LEAMINGTON**  
**LAND USE PLAN**



P:\Leamington\PLANNING\Modif\OP2008\_Map\ModOP-Globe\_A\_4

### ZONING

While Official Plans set out the general long-range policy framework for future land use, Zoning By-Laws take precedence and put those objectives of the Official Plan into effect and provide for their day-to-day administration.

Unlike the Official Plan, the Zoning By-Law contains very specific and legally enforceable regulations. Any new development or construction that fails to comply with a municipality’s Zoning By-Law is not permitted and will be denied a building permit.

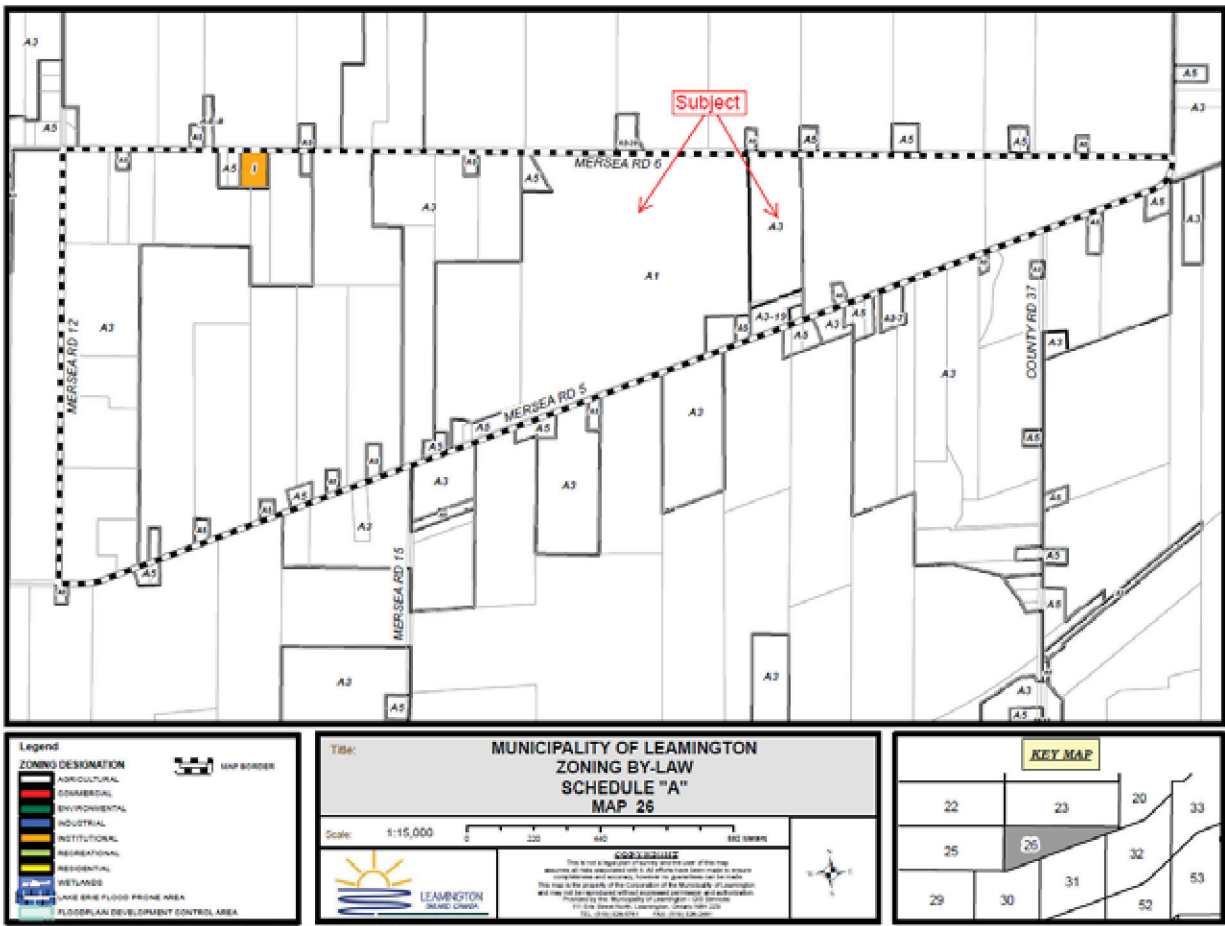
Zoning By-Laws define zones for various types of uses and establish the specific type of land use in each zone (i.e. residential, commercial, agricultural, institutional, industrial etc.). The by-laws will also set standard for erecting buildings (i.e. minimum lot size, frontage, set-backs from streets, side yard clearances, building heights, parking requirements, etc.)

According to the Town of Leamington the subject property is zoned as Agricultural A-1.

Zoning By-Law No. 1-4380 passed December 2<sup>nd</sup>, 1986 designates the site as Agricultural A-1 and A-3. An extract of the zoning by-laws is found following

The subject conforms to existing zoning by-laws.

### ZONING MAP



The General Agricultural designation permits:

- a) Agricultural uses including livestock intensive agricultural uses in accordance with subsection 6.2.5 of this by-law but excluding mushroom farms;
- b) A farm occupation in accordance with subsection 6.2.3. of this by-law;
- c) Establishments for the storage of agricultural equipment and machinery;
- d) A dog kennel in accordance with subsection 6.2.2. of this bylaw but not a boarding kennel;
- e) Forestry uses excluding any establishments that either process forestry products or sell processed forestry products such as lumber yards;
- f) Greenhouses in accordance with subsection 6.2.6 of this by-law;
- g) Hunting, game and wildlife preserves;
- h) Landing strips in accordance with subsection 6.2.7. of this by-law;
- i) Nurseries, wholesale and retail floral shops or tree farms;
- j) A horse training track in accordance with subsection 6.2.5 of this by-law
- k) The exploration and extraction of petroleum, natural gas and similar materials;
- l) One single family detached dwelling in accordance with subsection 6.2.1 of this by-law;
- m) A home occupation in accordance with subsection 6.2.4 of this by-law
- n) Seasonal farm dwellings;
- o) works of a conversation authority
- p) the storage of automobiles, boats and other recreational vehicles in existing buildings;
- q) uses accessory to the foregoing uses in accordance with subsection 5.20 of this by-law.

This zoning permits agricultural uses and accessory uses. The subject's current usage as a greenhouse operation is in compliance with this bylaw. It is not within the scope of this report to determine if all regulations have been met.

Official Plan:

Designation: Agricultural.

Conformance: Conforms.

Zoning:

Designation: A1 & A-3 - Agricultural

## SECTION 22 –AGRICULTURAL GENERAL ZONE (A1) REGULATIONS

### 22.1 General Use Regulations

No person shall within the A1 Zone use any lot or erect, alter or use any building or structure except in accordance with the following regulations:

#### 22.1.1 Permitted Uses

- a) Agricultural uses including livestock intensive agricultural uses that comply with the Minimum Distance Separation Formula (MDS) I and II, but excluding mushroom farms;
- b) one farm occupation in accordance with subsection 4.15 of this By-law;
- c) one bed and breakfast establishment in accordance with the provisions of subsection 4.4 of this By-law;
- d) establishments for the storage of agricultural equipment and machinery;
- e) dog kennels in accordance with subsection 4.26 of this By-law but not a boarding kennel;
- f) forestry uses including a processing and sale of firewood but excluding any establishments that either process forestry products or sell processed forestry products such as lumber yards;
- g) greenhouses in accordance with subsection 22.1.4 of this By-law;
- h) hunting, game and wildlife preserves;
- i) landing strips;
- j) nurseries, wholesale and retail floral shops or tree farms;
- k) horse training tracks;
- l) the exploration and extraction of petroleum, natural gas and similar materials;
- m) one single unit detached dwelling;
- n) one home occupation in accordance with subsection 4.23 of this By-law;
- o) the storage of automobiles, boats and other recreational vehicles within existing buildings;
- p) works of a conservation authority;

- q) farm help dwellings;
- r) accessory uses.

### 22.1.2 Permitted Buildings and Other Structures

- a) Buildings and structures for the permitted uses;
- b) accessory buildings and structures for the permitted uses, in accordance with subsection 4.1 of this By-law.

### 22.1.3 Zone Provisions for Farm Lots in the A1 Zone

Zone Provision	Main Building
Minimum Lot Area	10 ha (24.7 ac)
Minimum Lot Frontage	60 metres (196.8 feet)
Maximum Lot Coverage	25 % (includes accessory buildings and structures)
Maximum Building Height	10 metres (32.81 feet)
Minimum Front Yard	15 m (49.21 ft)
Minimum Interior Side Yard	1.5 m (4.92 ft)
Minimum Exterior Side Yard	15 m (49.21 ft)
Minimum Rear Yard	6 m (19.68 ft)

### 22.1.4 Zone Provisions for Greenhouses in the A1 Zone

The construction of all new greenhouse facilities and the expansion of existing facilities are subject to site plan control and must be in accordance with the following:

Zone Provision	Greenhouses
Minimum Lot Area	2 ha (4.94 ac)
Minimum Lot Frontage	60 m (196.85 ft)
Maximum Lot Coverage	80 %
Minimum Front Yard	15 m (49.21 ft)
Minimum Side Yard	15 m (49.21 ft)
Minimum Rear Yard	15 m (49.21 ft)
Packing and Shipping Facilities	Minimum 15 m (49.21 ft) from all lot lines
Driveways	Minimum 4.5 m (14.76 ft) from side or rear lot line
Loading Areas	Minimum 15.24 m (50 ft) from all lot lines
Parking Areas	Minimum 4.5 m (14.76 ft) from all lot lines
Farm Help Dwellings	Maximum 2.5 labourers per 0.5 ha (1.23 ac) of greenhouses

## **SECTION 24 – AGRICULTURAL HOBBY FARM ZONE (A3) REGULATIONS**

### **24.1 General Use Regulations**

No person shall within the A3 Zone use any lot or erect, alter or use any building or structure except in accordance with the following regulations:

#### **24.1.1 Permitted Uses**

- a) Agricultural uses excluding all livestock intensive agricultural uses and excluding mushroom farms;
- b) dog kennels in accordance with subsection 4.26 of this By-law but not a boarding kennel;
- c) forestry uses excluding any establishments that either process forestry products or sell processed forestry products such as lumber yards;
- d) greenhouses in accordance with subsection 24.1.4 of this By-law;
- e) hunting, game and wildlife preserves;
- f) nurseries, wholesale and retail floral shops or tree farms;
- g) horse training tracks;
- h) the exploration and extraction of petroleum, natural gas and similar materials;
- i) one single unit detached dwelling in accordance with subsection 24.1.4 of this By-law;
- j) one home occupation in accordance with subsection 4.23 of this By-law;
- k) works of a conservation authority;
- l) one bed and breakfast establishment in accordance with the provisions of subsection 4.4 of this By-law;
- m) farm help dwellings;
- n) accessory uses.

### 24.1.2 Permitted Buildings and Other Structures

- c) Buildings and structures for the permitted uses:
- d) accessory buildings and structures for the permitted uses, in accordance with subsection 4.1 of this By-law.

### 24.1.3 Zone Provisions for Farm Lots in the A3 Zone

Zone Provision	Main Building
Minimum Lot Area	1 ha (2.48 ac)
Minimum Lot Frontage	60 m (196.85 ft)
Maximum Lot Coverage	25 % (includes accessory buildings and structures)
Maximum Building Height	10 m (32.80 ft)
Minimum Front Yard	15 m (49.21 ft)
Minimum Interior Side Yard	1.5 m (4.92 ft)
Minimum Exterior Side Yard	15 m (49.21 ft)
Minimum Rear Yard	6 m (19.68 ft)

### 24.1.4 Zone Provisions for Greenhouses in the A3 Zone

The construction of all new greenhouse facilities and the expansion of existing facilities are subject to site plan control and must be in accordance with the following:

Zone Provision	Greenhouses
Minimum Lot Area	2 ha (4.94 ac)
Minimum Lot Frontage	60 m (196.85 ft)
Maximum Lot Coverage	80 %
Minimum Front Yard	15 m (49.21 ft)
Minimum Side Yard	15 m (49.21 ft)
Minimum Rear Yard	15 m (49.21 ft)
Packing and Shipping Facilities	Minimum 15 m (49.21 ft) from all lot lines
Driveways	Minimum 4.5 m (14.76 ft) from side or rear lot line
Loading Areas	Minimum 15.24 m (50 ft) from all lot lines
Parking Areas	Minimum 4.5 m (14.76 ft) from all lot lines
Farm Help Dwellings	Maximum 2.5 labourers per 0.5 ha (1.23 ac) of greenhouses
Storm Water Management Ponds	Minimum 3 m (9.84 ft) from all lot lines
Outdoor Water Reservoirs	Minimum 3 m (9.84 ft) from all lot lines

## HIGHEST AND BEST USE

The term “Highest and Best Use” is generally considered in appraisal terminology as the most profitable likely use to which a property can be put which will result in the greatest net return over a given period of time. For an asset to have value, it must be capable of providing some form of beneficial utility or enjoyment to the owner or user. An examination of the highest and best use or most probable use is, therefore, critical to the appraisal process.

The Highest and Best Use analysis provides a focus for the choice of an appropriate valuation methodology. If a property’s current use is its highest and best use, its most probable selling price will ordinarily be a function of the existing use. Should the use of either the land as if vacant, or an alternative use of the land and structures as developed be found to represent the most beneficial use, the market value of the asset will likely be governed by this alternative.

The estimation and analysis of this optimum and probable use to which the property may be put normally encompasses consideration of the compatibility of the existing use and any suggested alternative use for which a property may be utilized in conjunction with:

- (a) the Zoning, Official Planning and other legal and political restraints on the use of the property;
- (b) the economic and market trends, supply and demand situation for the suggested use;
- (c) the expectations of the surrounding community;
- (d) the financial feasibility of the contemplated use; and,
- (e) the physical attributes and limitations of the site and its location, including the availability of services necessary to support alternative uses.

The highest and best use of the site as if vacant, considering the location, alternate potential feasible and legal uses as well as current zoning and land uses in the neighbourhood would be for agricultural purposes.

## **APPROACHES TO VALUE**

There are three traditional approaches to value typically utilized in the valuation of real property. Within each approach are numerous methods. The type of property and the interest being valued determines what approaches and methods are applicable.

### **COST APPROACH**

This method is based on the cost of a property's improvements, less all sources of depreciation. The resulting figure is added to the estimated land value, utilizing the Direct Comparison Approach.

### **DIRECT COMPARISON APPROACH**

The Direct Comparison Approach considers that a property's value is directly related to prices paid for other competitive and like properties. This approach to value directly compares sale prices per physical units of measure (i.e. suites, rooms, square feet, front foot, acres, etc.).

### **INCOME APPROACH**

The Income Approach considers a property's ability to provide an income stream over its economic life as a reflection of its present value.

### **APPLICABLE APPROACHES**

Each of the above approaches can be applied to some extent in the valuation of vacant lands. The Direct Comparison Approach is often the most effective. The Income Approach and the Cost Approach were not considered applicable to this type of property.

## **DIRECT COMPARISON APPROACH**

The principle of substitution proposes that a prudent buyer will not pay more for a property than it would cost to buy an equally desirable substitute property, provided that there is not undue delay in making the acquisition. The Direct Comparison Approach is based upon this principle. Seldom is there any commodity that is bought or sold that does not undergo a comparative analysis. One of the basic principles in the marketplace is to decide by direct comparison whether the price of a commodity is fair.

There are five basic steps in the Direct Comparison Approach:

1. Assemble current sales of properties that are as closely comparable to the subject as possible. In addition to sales data, consideration should be given to current listings.
2. All pertinent data such as sale price, date, legal description, etc., should be validated.
3. The data derived from each sale should be analyzed with regards to date of sale (time), terms, location, motivation, marketing time, physical condition, etc.
4. Each sale is then compared to the subject property with adjustments made to the comparable sale to compensate for inferior or superior qualities.
5. The data is weighed and correlated to arrive at an indicated value for the subject property.

The method is relatively simple in its approach since it considers the same criteria utilized by a prospective purchaser. Its reliability depends on the similarity between the comparables and the subject property plus the skill and care exercised in making adjustments for various differences that exist.

### **Preamble**

In an ideal market situation for applying the Comparison Approach to value, the following conditions would prevail:

- A large number of sales have occurred between buyers and sellers who are knowledgeable of the local market.
- The sales are closely comparable to the subject property.
- The terms of the sale are identical.
- The sales are all very recent.
- The sales are “normally distributed” in a statistical sense.

Unfortunately, even in the best of conditions, there are usually insufficient sales that are reasonably comparable. The question must be asked “What is a good comparable?” The limits on comparability depend on the type of property involved. A good comparable is one that would be a reasonable alternative for most prospective buyers who would be interested in the subject property.

Although none of the following properties are exactly identical to the subject property, they lend insight into how the market would react to the subject property.

## **SITE VALUE**

There are several methods for developing a value for the underlying site. The site value is required for the Cost Approach calculations but can also be used for the development of ratios in the Income Approach.

1. Comparative Sales Method – sales and other data for similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the land being appraised. In the comparison process, the similarity or dissimilarity of the parcels is considered. This is the most common technique for valuing land and it is the preferred method of land valuation, provided there are sufficient comparable land sales available for analysis.
2. The Abstraction Method – is used where few sales are found. It involves allocation of the appraised total value of the property between land and buildings. Reliance is placed on typical ratios of land to improvement in the particular category under consideration.
3. Extraction – is a technique whereby the depreciated value of the building is extracted from the total sale price of an improved property to indicate the value of the land.
4. Subdivision Development – can be used where a project is proposed for a site by estimating the probable selling price of the units and extracting all expenses including builder's profit.
5. Land Residual Technique – capitalizes into value the residual income imputable to the land as obtained with a new building improvement which is the highest and best use of the land.

In most instances, the Comparative Sales Method is the most reliable technique, particularly when there are sufficient comparable sites for comparison.

## **COMPARATIVE SALES METHOD**

The comparative Sales Method is identical to the Direct Comparison Approach and remains the best method for this type of property provided comparable sales can be found. In this case a number of comparable sales were found in the vicinity of the Property.

Adjustments for items below were considered but not necessarily applied:

- Rights Conveyed
- Financing Adjustments
- Conditions of Sale
- Date of Sale
- Location
- Site Size
- Other Adjustments

## RECENT RELATED LAND SALES OF AGRICULTURAL PROPERTIES-TOWN OF LEAMINGTON

NO	REFERENCE	ADDRESS	DATE	SALE PRICE	ACREAGE	PRICE/ACRE
1	PIN# 750850070	PT S½ Lt 2Con 10 Mersea Leamington	01/02/18	\$430,500	51.60	\$8,343
2	PIN# 750850070#	Pt W½ Lt 11 Con8 Mersea Leamington	01/03/18	\$420,000	48.47	\$8,665
3	PIN# 750910227	Pt Lt 13 Con 7 Mersea Leamington	01/04/18	\$670,206	74.75	\$8,965
4	PIN# 750930223	660 Albuna Townline Leamington	01/19/18	\$900,000	47.76	\$18,844
5	PIN# 750880036	PT Lt 18 Concession 9 Leamington	01/19/18	\$900,000	25.21	\$35,700
6	PIN# 751190458	Pt Lt 10 Con 1 Mersea Leamington	01/19/18	\$2,000,000	40.36	\$49,554
7	PIN# 750820106	Pt S½ Lt 20 Concession 10 Leamington	02/01/18	\$925,706	25.74	\$35,963
8	PIN# 750820100	Pt S½ Lt 20 concession 10 Leamington	02/01/18	\$925,706	26.73	\$35,291
9	PIN# 751690186	609 Road 3 E* Kingsville	03/09/18	\$1,340,000	44	\$26,800
10	PIN# 751690087	542 Road 3 E Kingsville	03/23/18	\$2,860,000	102	\$28,039
11	PIN# 751690173	575 Road 3 E. Kingsville	03/23/18	\$1,500,000	51	\$29,412
12	PIN# 750910074	Pt Lt 14 Concession 6 Mersea	04/17/18	\$550,000	51.64	\$10,650
13	PIN# 750970091	928 Township Road 5 Leamington	04/26/18	\$632,900	63.86	\$9,910
14	PIN# 750970605	PT Lt 8 Concession 4Leamington	04/26/18	\$2,232,992	106.80	\$20,908
15	PIN# 751190458	Mersea Road 2 Leamington	01/19/18	\$2,000,000	40.36	\$49,554
16	PIN# 750850164	Highway 77 Leamington	02/05/18	\$3,725,000	144.33	\$25,810
17	PIN# 750860121+	408-416 Road 10 Mersea	06/29/18	\$3,000,000	102.85	\$29,168
18	PIN# 750830113	1531 Mersea Road 11 Leamington	07/06/18	\$300,000	32.02	\$9,369
19	PIN# 750870123+	Mersea Road 10 Leamington	07/13/18	\$1,343,045	48.4	\$27,750
20	PIN# 750910059	1408 Mersea Road 8 Leamington	08/13/18	\$1,320,000	123.50	\$10,688
21	PIN# 750840071	821 Mersea Road 11* Leamington	09/28/18	\$2,760,000	115	\$24,000
22	PIN# 750840053	V/L Highway 77* Leamington	09/28/18	\$1,115,000	50	\$22,300
23	PIN# 750840053	V/L Highway 777 Leamington	09/28/18	\$1,180,000	53	\$22,300
24	PIN# 750850171	Pt Lt 4 Con 10 Mersea	11/09/18	\$1,100,000	49	\$22,449
25	PIN# 750930240	517 Mersea Road 7 Leamington	12/01/18	\$2,817,500	80.5	\$35,000
26	PIN# 750820098	1831 Road 10 Mersea Leamington	12/03/18	\$342,642	26.43	\$12,964
27	PIN# 750970081	Pt Lt 10 Con 4 Mersea	12/21/18	\$789,630	26.32	\$30,001
28	PIN# 750870174	Pt Lt 7 Con 8 Mersea	01/04/19	\$580,383	23.72	\$24,468
29	PIN# 750910211	PT Lt 17 Concession 6 Leamington	02/28/19	\$251,000	26.28	\$9,550
30	PIN# 750910066	Pt Lt 13 Con 7 Mersea	04/05/19	\$300,000	25.31	\$11,853
31	PIN# 751190458	Pt Lt 3 Con 6 Leamington	04/30/19	\$2,000,000	40.36	\$49,554
32	PIN# 751010296	Pt Lt 12 Con 4 Mersea	05/13/19	\$560,000	34.36	\$16,298
33	PIN# 751010318	Pt Lt 222 Concession STR Mersea	05/13/19	\$557,500	45.37	\$12,287
				\$1,282,718.48	55.97	\$23,406.27

**Chart #1 Observations**

		<b>High +/-</b>	<b>Average +/-</b>
<b>Sale Date</b>	January 2018	May 2019	
<b>Sale Price</b>	\$251,000	\$3,725,000	\$1,282,718
<b>Number of Acres</b>	23.72	123.5	55.97
<b>Sale Price Range</b>	\$8,343	\$49,554	\$23,406.27

The previous two charts in this section provide summaries of pertinent information with respect to each transaction. All of the reference properties have a primary zoning designation of “A” agricultural and all are considered to be arms-length transactions.

Chart # 1 was a summary of properties purchased in the Town of Leamington in the past 16 months.

- The average sale price per acre of these transactions was \$23,406.27per acre.
- The range was from \$8,343 per acre to \$49,554

These sales represent sales of properties purchased specifically for cash crop farms or for Greenhouse construction.

Nine sales from this list found within the Lebo drain system or very near to the drain system and considered more similar to the subject property were selected for comparison to the subject property.

**Chart # 2**

NO	REFERENCE	ADDRESS	DATE	SALE PRICE	ACREAGE	PRICE/ACRE
19	PIN# 750870123+	Mersea Road 10 Leamington	07/13/18	\$1,343,045	48.4	\$27,750
21	PIN# 750840071	821 Mersea Road 11* Leamington	09/28/18	\$2,760,000	115	\$24,000
22	PIN# 750840053	V/L Highway 77* Leamington	09/28/18	\$1,115,000	50	\$22,300
23	PIN# 750840053	V/L Highway 777 Leamington	09/28/18	\$1,180,000	53	\$22,300
24	PIN# 750850171	Pt Lt 4 Con 10 Mersea	11/09/18	\$1,100,000	49	\$22,449
25	PIN# 750930240	517 Mersea Road 7 Leamington	12/01/18	\$2,817,500	80.5	\$35,000
27	PIN# 750970081	Pt Lt 10 Con 4 Mersea	12/21/18	\$789,630	26.32	\$30,001
28	PIN# 750870174	Pt Lt 7 Con 8 Mersea	01/04/19	\$580,383	23.72	\$24,468
32	PIN# 751010296	Pt Lt 12 Con 4 Mersea	05/13/19	\$560,000	34.36	\$16,298
				<b>\$1,360,617.56</b>	<b>53.37</b>	<b>\$24,951.78</b>

**Chart #2 Observations**

		<b>High +/-</b>	<b>Average +/-</b>
<b>Sale Date</b>	July 2018	May 2019	
<b>Sale Price</b>	\$560,000	\$2,817,500	\$1,360,618
<b>Number of Acres</b>	23.72	115	60.38
<b>Sale Price Range</b>	\$16,298	\$35,000	\$24,951

The most appropriate adjustment method in this case is the “Property to Property Comparison”, whereby we attempt to bracket the subject property between comparable sales both superior (more valuable) and inferior (less valuable). If a significant item or component of the comparable property is superior to or more favourable than the subject, a minus (-) adjustment is considered, thus reducing the indicated value of the subject. If a significant item in the comparable property is inferior to, or less favourable than, the subject Property, a plus (+) adjustment is considered, thus increasing the indicated value of the subject. This approach emphasizes individual comparable sales as a whole and undivided entity, which is exactly what a buyer does.

Adjustments are based on both quantitative market data and qualitative considerations. An adjusted rate paid per acre was then estimated and applied to the Property’s gross acreage in order to estimate its Market Value.

### **Rights Conveyed**

In analyzing the sales used it was determined that in all cases the rights conveyed were Fee Simple and no adjustment was required.

### **Financing**

There was no information available to suggest that there were any special financing arrangements involved in the comparable sales and it was assumed in all cases that typical types of financing arrangements were involved in the sales.

### **Conditions of Sale Adjustment**

Each of the transactions was reported to have involved cash to the vendor with no unusual conditions or restrictions.

### **Time**

The most recent report published by FCC for spring 2019 indicates that farm land values increased 3.6% in 2018 and 8.4 per cent in 2017, following gains of 7.9 per cent in 2016 and 10.1 per cent in 2015.

The sales chosen for consideration represent sales over the past 16 months. It would appear from the above statistics that an upward adjustment would need to be applied to some of these sales for time.

### **Location**

An adjustment was made to the indicated values for significant variations in location. The subject was considered to be in an average location with upward adjustment considered appropriate for some of the local sales selected.

### **Lot Size**

Lot sizes were considered a contributing factor in prices paid and adjustments were made based on significant variations in site sizes.

### **Zoning**

All comparable sales had similar zoning to the subject site with no adjustment considered appropriate.

## Services

The subject has typical municipal services

Generally speaking the primary factor influencing value is location and the closer a property is to a larger centre the greater its value. Other factors that contribute significantly to a property's value are tiling, configuration, soil type, municipal amenities available and most importantly size.

Even properties which are side by side must be considered on an individual basis and under no circumstances can they be considered identical enough to apply the same unit value (per acre) to arrive at a market value for the property.

Each property is unique and the presence or lack of improvements, municipal services, variation in configurations, tiling etc. can significantly impact on the per acre value.

The property is comprised of a 148.32± acre site (Per MPAC), currently unimproved. It is estimated that 10.5± acres are wet land and not workable.

It is in the center of an agricultural area, on a paved road within driving distance of all usual amenities.

In reviewing the sales most emphasis was placed on the highlighted sales in the previous chart which indicated an average sale price per acre of \$24,951, a median sale price of \$22,500 per acre and a range of sale prices from \$16,298 per acre to \$35,000 per acre.

The subject site has an average configuration and a superior soil type. It is a desirable site for greenhouse construction.

Typically wet lands when purchased along with arable land contribute 30% to 50% per acre less to overall purchase price.

In consideration of the above and after reviewing those sales considered most suitable for comparison with the subject property in terms of location, size, soil type municipal services, the appraiser is of the opinion that a value of \$22,500 per acre is indicative of the per acre value of the subject arable portion of the subject property and \$11,000 per acre for the wetland portion.

Accordingly

$$\begin{aligned} 10.5\pm \text{ acres @ } \$11,000 &= \$115,500 \text{ (Rounded)} \\ 137.82\pm \text{ acres @ } \$22,500 &= \$3,100,950 \text{ (Rounded)} \end{aligned}$$

**The estimated land value from the Comparison Approach to Value is:**

**THREE MILLION TWO HUNDRED AND SIXTEEN THOUSAND FIVE HUNDRED DOLLARS**

**\$3,216,500 (Rounded)**

**PART THREE - CONCLUSION**

## RECONCILIATION AND FINAL VALUE ESTIMATE

Only one approach was used to estimate market value in this report. The results of each are shown as follows:

<b>Direct Comparison Approach</b>	<b>\$3,216,500</b>
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The Direct Comparison Approach attempts to measure the thinking of participants in the marketplace by evaluating the results of their actions – completed transactions of similar properties. Perfect comparable property data is seldom found. The information available for analyses was found to be appropriate and produced supportable results. In this case sales of agricultural facilities in Essex County were reviewed. Appropriate adjustments were made. Properties such as the subject are normally purchased by comparison. The Direct Comparison Approach is usually considered the best gauge of value with this type of property and consequently, considerable weight was given to this analysis.

The Direct Comparison Method is well suited for a variety of property types. It is particularly effective in the valuation of vacant lands. The availability of market data essentially dictates its effectiveness.

The data available for the application of this method is considered more than sufficient to provide a strong indication of the subject's current market value.

After considering the data analyzed during the preparation of this report and relying upon the writer's experience in the real estate profession, the estimate of the market value of the Property as of July 8<sup>th</sup> 2019

### **Current Market Value**

**THREE MILLION TWO HUNDRED AND SIXTEEN THOUSAND FIVE HUNDRED DOLLARS**

**\$3,216,500**

**ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS:**

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term “inspection” refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.

15. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
16. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
17. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct such loan underwriting and due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.
18. Where the intended use of this report is for mortgage insurance, it is a condition of reliance on this report that the authorized user will conduct loan insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent mortgage insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, to conduct such loan insurance underwriting and/ due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Insurance Underwriting Practices and Procedures B-21, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in the accompanying report are to the best of our knowledge true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal and/or professional interest or bias with respect to the parties involved with this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in and compensation is not contingent upon or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
- We have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives.
- Don Fuerth, AACI, P.App. personally inspected the Subject Property on July 8<sup>th</sup> 2019. No one, other than those named in the certification pages herein, provided assistance to the undersigned with preparation of this report.
- As of the dated of this report, Don Fuerth, AACI, P.App. has completed the requirements of the continuing education program of the Appraisal Institute of Canada.


Based upon the data, analyses and conclusions contained herein, the market value of the interest in the property located at Part Lots 15-16 Concession 5, Mersea, Town of Leamington, ON; legally described as: Part Lot 16 Concession 5, Mersea, Designated as Part 1, Plan 12R9900, Save and Except Part 1, Plan 12R22852 and Part 1 Plan 12R24906, Pat L:ots 15-16, Concession 5 Mersea as in R1503688, Save and Except Parts 1, 2 Plan 12R22374, S/T a Drainage Agreement as in CE36938, Town of Leamington, County of Essex, Ontario, described as at July 8<sup>th</sup> 2019 is at:

### Current Market Value

**THREE MILLION TWO HUNDRED AND SIXTEEN THOUSAND FIVE HUNDRED DOLLARS**

**\$3,216,500**

## APPRAISER

Respectfully,  
FUERLAND REALTY LTD  
  
Don Fuerth B.A., AACI, P. App

NAME: Don Fuerth  
AIC DESIGNATION/STATUS: AACI, P.App  
Membership #: 702855  
DATE OF REPORT/DATE SIGNED: July 10<sup>th</sup> 2019  
PERSONALLY INSPECTED THE SUBJECT PROPERTY: Yes  
DATE OF INSPECTION: July 8<sup>th</sup> 2019

## ADDENDA

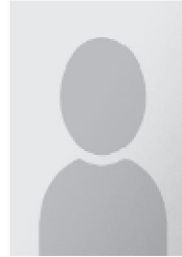
# SUBJECT

Generated on July 07, 2019

## Basic Client Report

LEAMINGTON

PIN 750910245



This report was prepared by:

**Donald Fuerth**  
Broker

dfuerth@fuerlandrealty.com

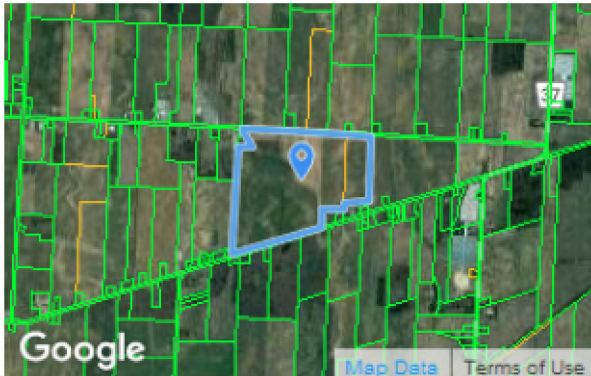
**Fuerland Realty Ltd. Brokerage**  
2260 Foster avenue  
Windsor, Ontario, Canada, N8W 5C9  
Office: 519-966-0881  
Fax: 519-966-3209

## Property Details - PIN 750910245

<b>PIN:</b>	750910245
<b>Land Registry Office:</b>	ESSEX (12)
<b>Land Registry Status:</b>	Active
<b>Registration Type:</b>	Certified (Land Titles)
<b>Ownership Type:</b>	Freehold

<b>Area:</b>	6719569.09 sq.ft
<b>Perimeter:</b>	11499.34 ft.
<b>Measurements:</b>	20.09ft. x 445.54ft. x 329.43ft. x 2506.25ft. x 2142.99ft. x 401.75ft. x 488.87ft. x 125.74ft. x 573.17ft. x 1530.41ft. x 2938.09ft.

## Aerial View Of Property



## Street View



## Assessment Information

ARN 370867000000400	
Phased-In Value	Assessed Value
\$268,500	\$288,000
2019 Tax Year	Based on Jan 1, 2016
<b>Frontage:</b>	N/A
<b>Description:</b>	Farm property without any buildings/str
<b>Depth:</b>	N/A
<b>Property Code:</b>	200

## Sales History

Sale Date	Sale	Type
Dec 19, 2011	\$130,000	Transfer
Nov 20, 2000	\$300,000	Transfer

ARN 370867000000600	
Phased-In Value	Assessed Value
\$1,116,750	\$1,187,000
2019 Tax Year	Based on Jan 1, 2016
Frontage: N/A	Description: Farm property without any buildings/str
Depth: N/A	Property Code: 200

### Terms and Conditions

Currency of Information. Data contained in the Geowarehouse reports are not maintained real-time. Data contained in reports, other than the Parcel Register, may be out of date ten business days or more from data contained in POLARIS.

Completeness of the Sales History Report: Some Sales History Reports may be incomplete due to the amount of data collected during POLARIS title automation. Subject properties may also show nominal consideration or sales price (e.g. \$2) in cases such as transfers between spouses or in tax exempt transfers.

The Property Information Services, reports and information are provided "as is" and your use is subject to the applicable Legal Terms and Conditions. Some information obtained from the Land Registry Information Services is not the official government record and will not reflect the current status of interests in land. Use of personal information contained herein shall relate directly to the purpose for which the data appears in land registry records and is subject to all applicable privacy legislation in respect of personal information. Such information shall not be used for marketing to a named individual.

## Curriculum Vitae and Clients Served – 2019

### Don Fuerth B.A., AACI, P.App.

Professional Appraiser, Real Estate Broker, Realtor®  
2260 Foster Avenue, Windsor, ON N8W 5C9  
Telephone: (519) 966-0881  
Email: [dfuerth@fuerlandrealty.com](mailto:dfuerth@fuerlandrealty.com)

### Summary

Don Fuerth is an experienced professional Real Estate Broker and Appraiser who has Land Use and Land Development experience. He has completed a variety of appraisal and consulting assignments to assist in Mortgage Financing, Power of Sale, Deemed Dispositions, HST and Capital Gains Issues involving Canada Revenue Agency (CRA), Expropriation, Family Law, Assessment Appeals and Litigation support.

### Experience

#### Real Estate Appraiser

Fuerland Realty Ltd., Don Fuerth Broker/Owner  
Appraiser of single and multi-family residential, agricultural, commercial, institutional and industrial properties since September 1995.

#### Real Estate Broker

Real Estate Brokerage - Fuerland Realty Ltd. We are an active brokerage providing assistance in purchases, sales, leasing and construction for all types of real estate. We maintain MLS® membership to obtain legal access to various real estate board open market systems.

**Real Estate Appraisal and Counseling** involves one or more of the following services:

- Real Estate Appraisal,
- Litigation support,
- Expropriation Appraisals including Injurious Affection Studies,
- Assessment Appeals,
- Property Tax Issues,
- Project feasibility study and analysis, and
- Property portfolio analysis and evaluation.

### Experience

2001 – Present Chief Appraiser Fuerland Realty Ltd.  
1994 – 2000 Associate Appraiser E.S. Gorski & Associates

### Related Experience

- Graduated from University of Windsor 1963
- Teacher's Certificate from University of Western Ontario -1965
- 1963 – 1980 Head of Modern Language Department and Guidance Counselor
- 1970 – 1988 Full time dairy and cash crop farmer
- 1988 – 1990 Full time construction and excavation contractor
- December 1990 successfully completed the "Salesperson Program" in real estate as presented by The Ontario Real Estate Association
- Licensed under the Ontario Real Estate and Business Brokers Act as a Broker, December 2<sup>nd</sup> 2002. Registration No. 3349461
- Director Windsor/Essex County Real Estate Board 1998 – 2002
- President Windsor/Essex County Real Estate Board 2002 – 2003
- Past President Windsor/Essex County Real Estate Board 2003 – 2004
- Chairman Building Committee Windsor/Essex County Real Estate Board 1998 – 2004
- Full member, National Commercial Council, Canadian Real Estate Association, 2001, also a Full Member, Commercial Council Windsor/Essex County Real Estate Board.

### **Appraisal Assignments have included:**

- Funeral Homes
- Institutional buildings
- Retirement Homes
- Special Use Properties
- Rooming Houses
- Office Towers
- Apartment buildings
- Real property housing a single dwelling
- Multi-family buildings
- Industrial properties
- Churches
- Retail commercial properties
- Hotels/Motels
- Mobile Home/Trailer Parks
- Marinas
- Golf Courses
- Farms and Farm Land
- Intensive Farms (e.g. Livestock, Greenhouse and Winery Operations)
- Agricultural support properties
- Market Rent Studies
- Land
  - Commercial/industrial/residential land awaiting development
  - Building lots – on water and not on water

### **Professional Education**

AACI Accredited Appraiser Canadian Institute Certificate # 702855  
The Appraisal Institute of Canada awarded use of this professional designation on October 28<sup>th</sup> 2003.

P.App Professional Appraiser  
Granted by the Appraisal Institute of Canada to all holders of the AACI designation.

CRA Canadian Residential Appraiser, Relinquished October 28<sup>th</sup> 2003

B.A. Bachelor of Arts granted by the University of Windsor May 1963

### **Membership**

- Appraisal Institute of Canada
- Ontario Real Estate Association
- The Canadian Real Estate Association
- The Windsor/Essex County Real Estate Board
- The Commercial Council of Canadian Real Estate Association
- Together with full access to numerous other Real Estate Boards.

## Clients Served (partial list only)

- Libro Credit Union
- Motor City Community Credit Union
- Bank of Montreal
- Canadian Imperial Bank of Commerce
- Royal LePage Relocation
- Canada Mortgage and Housing Corp.
- Farm Credit
- County of Essex
- Town of Tecumseh
- Town of Amherstburg
- Town of Kingsville
- Royal Bank of Canada
- Prudential Relocation
- London Life - Freedom Financial
- Remax Relocation
- Hydro One Networks
- Unimor Capital Corporation
- Windsor Family Credit Union
- Ing Mortgages
- First National Financial Corporation
- Korea Exchange Bank
- Manulife Bank
- Ukrainian Credit Union
- Concentra Financial Services
- Law Firms
  - McCarthy Tetrault
  - Paul Mullins
  - Hickey & Byrne
  - Paroian & Skipper
  - And many more
- Accounting Firms
  - KPMG Inc.
  - Ernst & Young
  - LBDO Dunwoody & Associates
  - Deloitte & Touche
  - Hyatt Lassaline
  - Collins Barrow

**INSURANCE CERTIFICATE - CERTIFICAT D'ASSURANCE**

Named Insured/Assure nomme:	MEMBERS OF THE APPRAISAL INSTITUTE OF CANADA
Insured/Assure:	Donald Fuerth
Address of Insured/ Adresse de l'assure:	2260 Foster Ave Windsor, ON N8W 5C9
Certificate Number/Certificat No.:	AIC 02148
Policy Period For Insured/Periode d'assurance pour l'assure:	December 31, 2018 To December 31, 2019
AIC Membership	AACI - Accredited Appraiser Canadian Institute

This is to confirm for the indicated type of practice that the following insurance is in effect/

La present certificat confirme que l'assurance suivante est en vigueur pour la categorie de pratique indique:

Master Policy/contrat-cadre

Insurer	Policy No.	Policy Period	Coverage
Trisura Guarantee Insurance Company	NPL1000539	December 31, 2018 to December 31, 2019	Appraisers Professional Liability Insurance/ Assurance de Responsabilite Professionnelle des Evaluateurs

<p>Sum Insured/Montant assure:  <b>\$2,000,000 each occurrence and \$2,000,000 in the aggregate annually./</b>  <b>\$2,000,000 par sinistre et \$2,000,000 montant de la garantie par arnee d'assurance.</b></p>
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Date: December 5, 2018

Authorized Representative

HUB International Canada  
 505 Bay Street, Suite 900, Toronto, ON M5G 2E3  
 Tel: 416-619-8242 aicinsurance@hubinternational.com